

APN News & Media Limited

RETAIL ENTITLEMENT OFFER

Fully underwritten 5 for 9 accelerated non-renounceable
entitlement offer at an Offer Price of A\$0.36 per New Share

Retail Entitlement Offer closes at 5.00pm (Sydney time)
on Friday, 14 March 2014

APN News & Media Limited
ABN 95 008 637 643
Level 4
100 William Street
Sydney NSW 2011



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Retail Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with the Australian Securities & Investments Commission ("ASIC"). Please call your stockbroker, accountant or other professional adviser or the APN Offer Information Line on 1300 365 969 (within Australia), 0800 767 556 (within New Zealand) or +61 1300 365 969 (outside of Australia and New Zealand) if you have any questions.



Important Notices

Please refer to the Glossary in Section 7 for definitions of terms and abbreviations used in this Retail Offer Booklet.

FUTURE PERFORMANCE AND FORWARD LOOKING STATEMENTS

This Retail Offer Booklet contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “guidance”, “outlook”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance, aspects of the Entitlement Offer and use of proceeds are also forward looking statements. The forward looking statements contained in this Retail Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of APN News & Media Limited (ABN 95 008 637 643) (**APN**), and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Refer to the “Key risks” section of the APN Investor Presentation included in Section 3 of this Retail Offer Booklet for a summary of certain general and APN specific risk factors that may affect APN. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Retail Offer Booklet in light of those disclosures. You are cautioned not to place undue reliance on forward looking statements. The inclusion of forward looking statements should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the accuracy of the underlying assumptions, or that APN will or is likely to achieve particular results.

The forward looking statements are based on information available to APN as at the date of this Retail Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), APN undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

UNDERWRITER REPRESENTATION

CBA Equities Limited (**Underwriter**) has not authorised, permitted or caused the issue, lodgement, submission, despatch or provision of this Retail Offer Booklet. The Underwriter does not make, or purport to make, any statement in this Retail Offer Booklet which is based on any statement by the Underwriter. To the maximum extent permitted by law, the Underwriter expressly disclaims all liability in respect of, makes no representations regarding, and takes no responsibility for, any part of this Retail Offer Booklet.

PAST PERFORMANCE

Investors should note that past performance, including past share price performance and pro forma historical information are included for illustrative purposes only, and cannot be relied upon as an indicator of (and provides no guidance as to) future APN performance including future financial position or share price performance.

JURISDICTIONS

This Retail Offer Booklet, and any accompanying ASX and NZX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other country outside Australia, New Zealand and Ireland. In particular, neither the entitlements (**Entitlements**) to purchase new ordinary shares in APN (**New Shares**) pursuant to the offer described in this Retail Offer Booklet nor the New Shares (and Additional New Shares if applicable) have been, or will be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares (and Additional New Shares if applicable) may not be offered or sold in the United States absent registration or in a transaction not subject to, or exempt from, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States or any other jurisdiction outside Australia, New Zealand and Ireland.

The New Shares (and Additional New Shares if applicable) are not being offered or sold to the public within New Zealand other than to existing shareholders of APN with registered addresses in New Zealand to whom the offer of New Shares (and Additional New Shares if applicable) is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Retail Offer Booklet has not been registered with, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Retail Offer Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain. NZX accepts no responsibility for any statement in this Retail Offer Booklet.

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the “Prospectus Regulations”). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) “qualified investors” as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 150 natural or legal persons who are not qualified investors.

REFERENCES TO “YOU” AND “YOUR ENTITLEMENT”

In this Retail Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders (as defined in Section 2.2).

TIMES AND DATES

Times and dates in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to Sydney time. Refer to the “Key dates” section of this Retail Offer Booklet for more details.

CURRENCY

Unless otherwise stated, all dollar values in this Retail Offer Booklet are in Australian dollars (“AS”).

TRADING OF NEW SHARES AND ADDITIONAL NEW SHARES

APN and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares or Additional New Shares (as the case may be) before they receive their confirmation of issue, whether on the basis of confirmation of allocation provided by APN, the Share Registry or the Underwriter or otherwise, or who otherwise trade or purport to trade New Shares or Additional New Shares (as the case may be) in error or which they do not hold or are not entitled to.

DISCLAIMER

None of the Underwriter nor any of its respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information and they do not take any responsibility for this Information or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter and each of its respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter nor any of its respective related bodies corporate and affiliates nor their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriter or any of its respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares (or Additional New Shares if applicable) or the Entitlement Offer generally.

It is important to note that the Underwriter will be acting for and providing services to APN in this process and will not be acting for or providing services to shareholders or any other investor. The engagement of the Underwriter by APN is not intended to create any agency, fiduciary or other relationship between the Underwriter and the shareholders or any other investor.

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Key Dates

EVENT	DATE
Entitlement Offer announced	Wednesday, 19 February 2014
Record Date for eligibility in Entitlement Offer (7.00pm, Sydney time)	Monday, 24 February 2014
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Thursday, 27 February 2014
Retail Entitlement Offer closes (5.00pm, Sydney time)	Friday, 14 March 2014
Settlement of the Retail Entitlement Offer	Thursday, 20 March 2014
Issue of New Shares (and Additional New Shares if applicable) under the Retail Entitlement Offer	Friday, 21 March 2014
Despatch of holding statements under the Retail Entitlement Offer	Monday, 24 March 2014
New Shares (and Additional New Shares if applicable) under the Retail Entitlement Offer commence trading on a normal settlement basis	Monday, 24 March 2014

The timetable above is indicative only and may be subject to change. APN, in conjunction with the Underwriter, reserves the right to amend any or all of these dates and times subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules, the NZX Main Board Listing Rules and other applicable laws. In particular, APN reserves the right to extend the Closing Date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares (and Additional New Shares if applicable).

The commencement of quotation of New Shares (and Additional New Shares if applicable) is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares (and Additional New Shares if applicable). You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their personalised Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

ENQUIRIES

If you have any questions, please call the APN Offer Information Line on 1300 365 969 (within Australia), 0800 767 556 (within New Zealand) or +61 1300 365 969 (outside of Australia and New Zealand), or consult your stockbroker, accountant or other professional adviser. The APN Offer Information Line will be open from 7.30am to 5.30pm (Sydney time) Monday to Friday, until 3 April 2014. Alternatively, you can access information about the Retail Entitlement Offer online at www.apn.com.au.

OPTIONS AVAILABLE TO YOU

Eligible Retail Shareholders should refer to Section 1 for options available to them to deal with their Entitlement. Eligible Retail Shareholders who wish to take up all or a part of their Entitlement or take up all of their Entitlement and also apply for Additional New Shares in excess of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with their Application Monies or pay their Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form, in each case by no later than 5.00pm (Sydney time) on Friday, 14 March 2014.

Chairman's Letter

27 February 2014

DEAR SHAREHOLDER,

On behalf of the directors of APN News & Media Limited (**APN**), I am pleased to invite you to participate in a 5 for 9 fully underwritten pro-rata accelerated non-renounceable entitlement offer of ordinary shares in APN (**New Shares**) at an offer price of A\$0.36 per New Share (**Offer Price**) to raise approximately A\$132 million (**Entitlement Offer**). The Entitlement Offer was announced on Wednesday, 19 February 2014 and is fully underwritten by CBA Equities Limited.

PURPOSE OF THE ENTITLEMENT OFFER AND USE OF PROCEEDS

The proceeds of the Entitlement Offer will be used to partly fund APN's acquisition of full ownership of Australian Radio Network (**ARN**) and The Radio Network (**TRN**) from US joint venture partner Clear Channel Communications Inc (**Clear Channel**) for A\$246.5 million (**Acquisition**). As a result of the Acquisition, APN now owns 100% of the largest network of radio stations in Australia and New Zealand. The Acquisition is expected to considerably rebalance the earnings profile of APN, with the majority of the Company's future earnings post-Acquisition expected to come from its growing radio, outdoor and digital media businesses.

Further details of the use of proceeds from the Entitlement Offer are contained in APN's investor presentation which was released on 19 February 2014, and is included in Section 3 of this offer booklet (**Retail Offer Booklet**).

THE ENTITLEMENT OFFER

Under the Entitlement Offer, Eligible Retail Shareholders (see Section 2.2 of this Retail Offer Booklet) are entitled to acquire 5 New Shares for every 9 existing fully paid ordinary shares in APN (**Shares**) held at 7.00pm (Sydney time) on Monday, 24 February 2014 (**Record Date**), at the Offer Price of A\$0.36 per New Share. The Offer Price represents a 12.5% discount to the theoretical ex-rights price (**TERP**)¹.

New Shares will be issued on a fully paid basis and will rank equally with existing Shares.

The Entitlement Offer comprises an institutional component being the Institutional Entitlement Offer and a retail component being the Retail Entitlement Offer including a Retail Oversubscription Facility (each of these aspects of the Entitlement Offer are described in Section 2.1 of this Retail Offer Booklet).

As announced on 21 February 2014, APN has successfully completed the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**).

This Retail Offer Booklet relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

The Retail Entitlement Offer provides Eligible Retail Shareholders with the same opportunities offered to those investors who participated in the Institutional Entitlement Offer.



PETER COSGROVE, CHAIRMAN

If you are an Eligible Retail Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (see Section 4 of this Retail Offer Booklet);
- take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement, up to 100% of your Entitlement unless you are a Related Party of APN (see Section 4 of this Retail Offer Booklet); or
- do nothing and allow your Entitlement to lapse.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 14 March 2014. If you are an Eligible Retail Shareholder and wish to participate, you need to ensure that your completed personalised Entitlement and Acceptance Form and Application Monies are received by the APN Share Registry or that you have paid your Application Monies via BPAY®, in accordance with the instructions set out on your personalised Entitlement and Acceptance Form and in this Retail Offer Booklet, before the Closing Date.

Entitlements are non-renounceable and cannot be traded on ASX, NZX or any other exchange, nor can they be privately transferred. You will not receive any value or consideration for any part of your Entitlement that lapses.

Allan Gray Australia Pty Ltd (**Allan Gray**) has taken up its full pro rata entitlement and provided general sub-underwriting of the Retail Entitlement Offer up to an amount such that its relevant interest in APN will not exceed 19.90%. Allan Gray's relevant interest in APN before announcement of the Entitlement Offer was approximately 19.55%.

Baycliffe Limited (**Baycliffe**), an investment vehicle controlled by Denis O'Brien, has taken up its full pro rata entitlement and provided sub-underwriting for part of the Entitlement Offer equal to the entitlement of Independent News & Media PLC (**INM**), which did not participate. The relevant interest of Baycliffe of approximately 30.84% in APN will therefore not change as a result of the Entitlement Offer.

¹ The theoretical ex-rights price is the theoretical price at which APN shares should trade immediately after the ex-date for the entitlement offer. The TERP is a theoretical calculation only and the actual price at which APN shares trade immediately after the ex-date for the entitlement offer may vary from TERP.

Chairman's Letter continued

Please refer to Section 6.2 for further details of the sub-underwriting arrangements and the current interests in APN of INM, Baycliffe and Allan Gray.

FURTHER INFORMATION

Further details on how to submit your application are set out in this Retail Offer Booklet. You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer. You should also refer to the key risks section of the Investor Presentation which was released on 19 February 2014, and is included in Section 3 of this Retail Offer Booklet.

I encourage you to carefully read this Retail Offer Booklet. Should you require further assistance, please call the APN Offer Information Line on 1300 365 969 (local call cost within Australia), 0800 767 556 (local call cost within New Zealand), or alternatively +61 1300 365 969 (from outside Australia or New Zealand) at any time from 7.30am to 5.30pm (Sydney time) Monday to Friday.

On behalf of the Board and management team of APN, I invite you to consider this investment opportunity and thank you for your ongoing support of our Company.

Yours faithfully,



Peter Cosgrove
Chairman

APN News & Media Limited

1. Summary of Options Available to You

If you are an Eligible Retail Shareholder (as defined in Section 2.2) you may take any one of the following actions:

- Take up all or part of your Entitlement;
- Take up all of your Entitlement and apply for Additional New Shares of up to 100% of your Entitlement (unless you are a Related Party of APN); or
- Do nothing and let your Entitlement lapse.

If you are a retail shareholder that is not an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder. New Shares in respect of Entitlements which would have been issued to Ineligible Retail Shareholders had they been entitled to participate will be allocated to Eligible Retail Shareholders who apply for Additional New Shares (subject to any scale-back at APN's absolute discretion) and/or to the Underwriter/sub-underwriters.

OPTIONS AVAILABLE TO YOU	ACTIONS REQUIRED
<p>1. Take up all or part of your Entitlement</p>	<ul style="list-style-type: none"> → You may elect to purchase New Shares up to your Entitlement at the Offer Price (see sections 4.3.1 for instructions on how to take up your Entitlement). → You can submit an application for New Shares under the Retail Entitlement Offer by: <ul style="list-style-type: none"> - Returning a duly completed personalised Entitlement and Acceptance Form in accordance with the instructions set out in that form and this Retail Offer Booklet and by making payment of the Application Amount via cheque, bank draft or money order (as set out in Section 4.4); or - Making payment of the Application Amount via BPAY® (as set out in Section 4.4) before the Closing Date. → All applications must be made in Australian dollars. → The New Shares will be fully paid and from allotment rank equally in all respects with existing Shares. → The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 14 March 2014. → If you only take up part of your Entitlement the remaining part you do not take up will lapse and the New Shares not subscribed for will form part of the Shortfall. Your percentage holding in APN will be reduced. → As the Entitlement Offer is non-renounceable, you will not receive any value or consideration for any part of your Entitlement that lapses. Your Entitlement cannot be traded on ASX, NZX or any other exchange, nor can it be privately transferred.
<p>2. Take up all of your Entitlement and apply for Additional New Shares</p>	<ul style="list-style-type: none"> → Unless you are a Related Party of APN, you may take up all of your Entitlement and apply for New Shares in excess of your Entitlement. → You may apply for up to 100% of your Entitlement as Additional New Shares. However, applications for Additional New Shares may be scaled-back in APN's absolute discretion. Any scale-back will be conducted in a pro-rata manner. → Additional New Shares will be fully paid and from allotment rank equally in all respects with existing Shares.
<p>3. Do nothing and let your Entitlement lapse</p>	<ul style="list-style-type: none"> → If you decide not to apply for any of your Entitlement, or fail to apply by the Closing Date, your Entitlement will lapse. → The New Shares not subscribed for will form part of the Shortfall and your percentage holding in APN will be reduced. → As the Entitlement Offer is non-renounceable, you will not receive any value or consideration for any part of your Entitlement that lapses. Your Entitlement cannot be traded on ASX, NZX or any other exchange, nor can it be privately transferred.

2. Overview of Entitlement Offer

2.1 OVERVIEW OF THE ENTITLEMENT OFFER

APN is undertaking a fully underwritten accelerated non-renounceable 5 for 9 pro-rata Entitlement Offer.

If you are an Eligible Retail Shareholder you may apply for 5 New Shares for every 9 Shares held at 7.00pm (Sydney time) on Monday, 24 February 2014 at the Offer Price of A\$0.36 per New Share.

Upon application, you must pay the Offer Price for each New Share (and Additional New Share, if applicable) in full.

The Entitlement Offer comprises the Institutional Entitlement Offer and the Retail Entitlement Offer.

Institutional Entitlement Offer

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders were given the opportunity to acquire 5 New Shares at the Offer Price for every 9 Shares held. Entitlements under the Institutional Entitlement Offer were non-renounceable.

New Shares that were not taken up by Eligible Institutional Shareholders, together with the Entitlements of Ineligible Institutional Shareholders, were allocated to Eligible Institutional Shareholders and other institutional and sophisticated investors through a volume bookbuild process as part of the Institutional Entitlement Offer.

The successful completion of the institutional portion of the Entitlement Offer was announced on 21 February 2014.

Settlement of the Institutional Entitlement Offer will occur on 6 March 2014 with allotment and trading expected to occur on the following business day.

Retail Entitlement Offer

The Retail Entitlement Offer is fully underwritten.

The Retail Entitlement Offer opens on 27 February 2014 and closes at 5.00pm (Sydney time) on 14 March 2014.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

Eligible Retail Shareholders will be sent this Retail Offer Booklet and a personalised Entitlement and Acceptance Form. The Entitlement and Acceptance Form will show the number of New Shares and Additional New Shares which you are entitled to apply for under the Retail Entitlement Offer.

Eligible Retail Shareholders are invited to subscribe for all or part of their Entitlement under the Retail Entitlement Offer. Eligible Retail Shareholders who take up all of their Entitlement (and are not a Related Party of APN) may also apply for Additional New Shares of up to 100% of their Entitlement. Applications for Additional New Shares are subject to scale-back at the absolute discretion of APN.

2.2 ELIGIBLE RETAIL SHAREHOLDERS

The Retail Entitlement Offer is only open to Eligible Retail Shareholders. Eligible Retail Shareholders are those persons who:

- Are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Monday, 24 February 2014;
- Have a registered address on the APN share register in Australia, New Zealand or Ireland;
- Are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States);
- Were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer; and
- Are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY[®], you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder.

Nominees and custodians should refer to Section 6.11 of this Retail Offer Booklet for further information.

APN, in conjunction with the Underwriter, may (in their absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder of APN that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

APN has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia, New Zealand and Ireland, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. APN, in conjunction with the Underwriter, may (in their absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia, New Zealand and Ireland (except the United States) in accordance with applicable law.

2.3 ADDITIONAL NEW SHARES

Eligible Retail Shareholders who take up all of their Entitlement (and are not a Related Party of APN) may apply for up to 100% of their Entitlement in addition to their Entitlement as Additional New Shares. This means that in total you may apply for up to 200% of your Entitlement (New Shares plus Additional New Shares).

Eligible Retail Shareholders who apply for Additional New Shares in excess of their Entitlement will be offered New Shares equivalent to the number not taken up by Eligible Retail Shareholders.

Please note that Additional New Shares will only be allocated to you if there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlement or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been eligible to participate in the Retail Entitlement Offer, subject to any scale-back that APN may apply (in its absolute discretion). If you apply for Additional New Shares there is no guarantee you will be allocated any. Any allocation of Additional New Shares will be made on a pro-rata basis. Related Parties of APN may not apply for Additional New Shares.

2.4 PERSONS WITH MORE THAN ONE HOLDING

If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

2.5 TRADING OF NEW SHARES AND ADDITIONAL NEW SHARES

It is expected that trading on ASX and NZX will commence in relation to the New Shares (and Additional New Shares, if any) issued under the Retail Entitlement Offer on a normal 'T+3' settlement basis on 24 March 2014. It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares or Additional New Shares (if applicable). The sale of New Shares or Additional New Shares (if applicable) prior to the receipt of a holding statement is at the seller's own risk.

APN and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares or Additional New Shares (as the case may be) before they receive their confirmation of issue, whether on the basis of confirmation of allocation provided by APN, the Share Registry or the Underwriter or otherwise, or who otherwise trade or purport to trade New Shares or Additional New Shares (as the case may be) in error or which they do not hold or are not entitled to.

2.6 NON-RENOUNCEABLE

The Retail Entitlement Offer is non-renounceable. Entitlements cannot be traded or transferred. Any New Shares not subscribed for by Eligible Retail Shareholders will form part of the Shortfall and, to the extent not allocated as Additional New Shares, will be subscribed for by the Underwriter or by sub-underwriters, subject to the terms of the underwriting agreement dated 19 February 2014 between APN and the Underwriter.

3. ASX Offer Announcements



MARKET ANNOUNCEMENT

APN TO ACQUIRE 100% OF AUSTRALIAN AND NEW ZEALAND RADIO ASSETS

- APN to move to full ownership of ARN and TRN for \$246.5 million, through acquisition of remaining 50% share from Clear Channel
- Purchase price represents an EV/FY13 EBITDA multiple of approximately 6.9 times¹
- APN confident in radio as a growth medium and in the ability of ARN and TRN to continue increasing market share
- Majority of APN's earnings post-Acquisition expected to be in growth businesses (radio, outdoor and digital)
- Acquisition funded through a fully underwritten entitlement offer, proceeds from the sale of APN Outdoor and debt from existing facilities
- Exclusive 10 year agreement with Clear Channel secured to operate and broadcast the iHeartRadio digital radio platform in Australia and New Zealand, with the option to act as implementation partner for iHeartRadio in a number of Asian markets²
- APN and Clear Channel to continue their relationship in the Adshel and Hong Kong Outdoor advertising businesses

Overview

SYDNEY, 19 February, 2014 – APN News & Media Limited [ASX, NZX: APN] today announced that it will acquire full ownership of Australian Radio Network Pty Limited ('ARN') and The Radio Network Limited ('TRN') from US joint venture partner Clear Channel Communications Inc ('Clear Channel') for \$246.5 million (the 'Acquisition'). The purchase price represents an EV/FY13 EBITDA multiple of approximately 6.9 times¹ and is expected to complete today, 19 February 2014.

As a result of the Acquisition, APN will own 100% of the largest network of radio stations in Australia and New Zealand. ARN owns or has investments in 12 radio stations in Sydney, Melbourne, Brisbane, Adelaide, Canberra and Perth. It broadcasts to over four million listeners each week. TRN operates seven core radio brands across New Zealand and broadcasts to approximately 1.7 million listeners each week.

APN Chief Executive Officer, Michael Miller said: "ARN and TRN are businesses that we know extremely well, having run them for almost twenty years. They are managed by highly competent teams and continue to deliver growth in both audience numbers and advertising revenues. We are confident that radio will continue to grow as a medium and that ARN and TRN will continue to capture a greater share of the market."

¹ Based on ARN and TRN's attributable EBITDA of \$71.5 million; adjusted to represent owned share of EBITDA in joint ventures.

² Excluding China, India, Japan, Taiwan and South Korea.

The Acquisition is expected to considerably rebalance the earnings profile of APN post-Acquisition with the majority of the Company's future earnings expected to come from its growing radio, outdoor and digital media businesses.

It is anticipated that the Acquisition will also provide APN with greater flexibility to pursue new revenue generating opportunities through closer collaboration between its media businesses in both Australia and New Zealand.

As outlined in APN's financial results issued separately today, ARN delivered FY2013 EBITDA of \$58.0 million, up 14% and FY2013 revenue of \$148.9 million, up 6%. With overall Australian radio market revenue growth of 2% in 2013; this was the third consecutive year that ARN has outperformed the market. TRN delivered FY2013 EBITDA growth of 22% to \$20.0 million and FY2013 revenue growth of 9% to \$102.3 million on a local currency basis. This was against overall radio market growth in New Zealand of 7.7% in 2013.

As part of the Acquisition, APN has secured an exclusive ten year arrangement with Clear Channel to operate and broadcast the iHeartRadio digital radio platform in Australia and New Zealand. APN also has the exclusive option to act as implementation partner for iHeartRadio in a number of Asian markets².

iHeartRadio is the only free digital music service that combines customised radio stations with live radio streaming from the more than 1,000 live radio stations across all ARN, TRN and Clear Channel US networks. Since its launch in Australia and New Zealand in August 2013, iHeartRadio has already secured 274,000 registered users and more than 424,000 unique online and mobile visitors.

APN believes that iHeartRadio not only provides APN with additional commercial opportunities from its current network of radio stations, but that it also provides access to an expanded, younger audience.

Clear Channel and APN will continue their relationship in the Adshel and Hong Kong Outdoor advertising businesses.

Acquisition funding

The Acquisition will be funded through a combination of:

- a \$132 million fully underwritten 5 for 9 pro rata accelerated non-renounceable entitlement offer ('Entitlement Offer');
- \$60 million in proceeds from the sale of APN Outdoor, completed on 24 January 2014; and
- \$61 million in debt funded from existing facilities.

APN will settle the Acquisition and take full ownership of ARN and TRN today, through drawing on existing debt facilities and an equity bridge facility that will be repaid through net proceeds of the Entitlement Offer.

APN has received support for the Acquisition from its key shareholders including Independent News & Media PLC ('INM'), Allan Gray Australia Pty Ltd ('Allan Gray') and Baycliffe Limited ('Baycliffe'), representing 50.4% of the Company's current issued share capital. INM is not participating in the Entitlement Offer; however it remains committed to its stake in APN.

APN has commitments from Allan Gray and Baycliffe, an investment vehicle controlled by Denis O'Brien, that they will take up their full pro rata entitlements. Baycliffe is also sub-underwriting part of the Entitlement Offer equal to the entitlements of INM. The relevant interest of Baycliffe of 30.8% in APN will therefore not change as a result of the Entitlement Offer.

APN remains committed to strengthening its balance sheet and is targeting the generation of operating cash flows of \$60 million to \$70 million for FY2014 to be used to pay down debt. APN expects to achieve this target through continued focus on cash generation, ongoing restructuring

3. ASX Offer Announcements continued

and cost saving initiatives and increased operating cash flows under 100% ownership of ARN and TRN.

Michael Miller said: "A key part of our thinking in acquiring full ownership of ARN and TRN was to boost operating cash flows to better position APN financially. The reduction in leverage from paying down debt through the year will considerably improve our refinancing options during the second half of 2014. Meanwhile we have sufficient headroom within our current facilities to meet all our obligations for the current year.

"It is also very encouraging to have received the support of our major shareholders, a strong endorsement for the Acquisition."

Further information

Further details about the Acquisition and the Entitlement Offer are contained in an investor presentation lodged with the ASX and NZX today.

Separate announcements regarding the Entitlement Offer and APN's FY2013 results have also been lodged with the ASX and NZX today.

- ENDS -

For further information:

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Future performance

This announcement contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of APN the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of APN, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. The forward looking statements are based on information available to APN as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), APN undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.



MARKET ANNOUNCEMENT

FULLY UNDERWRITTEN \$132 MILLION PRO RATA ACCELERATED NON-RENOUCEABLE ENTITLEMENT OFFER

Overview

SYDNEY, 19 February, 2014 – APN News & Media Limited [ASX, NZX: APN] today announced that it is undertaking a fully underwritten 5 for 9 pro rata accelerated non-renounceable entitlement offer of new APN ordinary shares ('New Shares') to raise gross proceeds of approximately \$132 million at a price of \$0.36 per New Share ('Entitlement Offer').

The proceeds of the Entitlement Offer will be used by APN to acquire full ownership of Australian Radio Network Pty Limited ('ARN') and The Radio Network Limited ('TRN') from Clear Channel Communications Inc ('Clear Channel') for \$246.5 million (the 'Acquisition').

APN will settle the Acquisition and take full ownership of ARN and TRN today, 19 February 2014, by drawing down on a bridge facility that will be repaid on completion of the Entitlement Offer. The remainder of the Acquisition purchase price will be funded by \$60 million in proceeds from the sale of APN Outdoor, which completed on 24 January 2014 and \$61 million in debt from APN's existing facilities.

APN has received support for the Acquisition from its key shareholders including Independent News & Media PLC ('INM'), Allan Gray Australia Pty Ltd ('Allan Gray') and Baycliffe Limited ('Baycliffe'), representing 50.4% of the Company's current issued share capital. INM is not participating in the Entitlement Offer; however it remains committed to its stake in APN.

APN has commitments from Allan Gray and Baycliffe, an investment vehicle controlled by Denis O'Brien, that they will take up their full pro rata entitlements. Baycliffe is also sub-underwriting part of the Entitlement Offer equal to the entitlements of INM. The relevant interest of Baycliffe of 30.8% in APN will therefore not change as a result of the Entitlement Offer.

Details of the Entitlement Offer

The Entitlement Offer comprises an accelerated institutional component ('Institutional Entitlement Offer') and a retail component ('Retail Entitlement Offer'). The offer price of \$0.36 per New Share represents a discount of 12.5% to the theoretical ex-rights price (TERP)¹ of \$0.41 per share.

Eligible shareholders will be able to purchase 5 New Shares for every existing 9 APN shares held on the record date of 7:00pm (Sydney time) on 24 February 2014 ('Record Date') (for each shareholder, their 'Entitlement'). New Shares will be fully paid and rank equally in all respects with existing APN ordinary shares from the date of allotment.

¹ TERP is the theoretical price at which APN shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which APN shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP.

3. ASX Offer Announcements continued

The Entitlement Offer is fully underwritten by CBA Equities Limited ('CBA Equities'). CBA Equities is acting as sole lead manager, bookrunner and underwriter to the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will take place on 19 and 20 February 2014. Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. A shortfall bookbuild will be conducted in relation to Entitlements not taken up by eligible institutional shareholders under the Institutional Entitlement Offer beyond Baycliffe's priority sub-underwriting commitment.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia, New Zealand or Ireland on the Record Date will be invited to participate in the Retail Entitlement Offer, which will take place from 27 February 2014 to 14 March 2014. Eligible retail shareholders will have the opportunity to participate at the same offer price and the same offer ratio as the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders may also apply for additional New Shares in excess of their Entitlement up to a maximum of 100% of their Entitlement ('Additional New Shares'). The allocation of Additional New Shares will be made on a pro rata basis and subject to any scale-back at APN's absolute discretion.

Eligible retail shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. APN expects to lodge the Retail Offer Booklet with the ASX and NZX and dispatch to eligible retail shareholders on or about 27 February 2014.

Entitlement Offer timetable

The timetable below is indicative only and may be subject to change. APN, in conjunction with CBA Equities, reserves the right to amend any or all of these dates and times subject to the *Corporations Act 2001* (Cth) (Corporations Act), the ASX Listing Rules, the NZX Main Board Listing Rules and other applicable laws. In particular, APN reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Entitlement Offer without prior notice. Any extension of any of the Closing Dates under the Institutional Entitlement Offer and Retail Entitlement Offer will have a consequential effect on the issue date of New Shares (and Additional New Shares if applicable).

Event	Date 2014
Trading halt, Institutional Entitlement Offer opens	Wednesday 19 February
Institutional Entitlement Offer closes	Thursday 20 February
Record Date (7.00pm Sydney time)	Monday 24 February
Retail Entitlement Offer opens and dispatch of Retail Offer Booklet	Thursday 27 February
Settlement of Institutional Entitlement Offer	Thursday 6 March
Issue and quotation of New Shares under the Institutional Entitlement Offer	Friday 7 March
Retail Entitlement Offer closes	Friday 14 March
Announcement of results of Retail Entitlement Offer	Wednesday 19 March
Settlement of Retail Entitlement Offer	Thursday 20 March

Allotment of Retail Entitlement Offer	Friday 21 March
New Shares under Retail Entitlement Offer commence trading on normal settlement basis	Monday 24 March

Further information

Further details about the Acquisition are contained in a separate announcement and investor presentation ('Investor Presentation') lodged with the ASX and NZX today. The Investor Presentation also includes further information on the Entitlement Offer, including its associated investment considerations and risks.

-- ENDS --

For further information:

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Not for distribution or release in the United States

This announcement is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission ("ASIC")). The announcement is not and should not be considered an offer or an invitation to acquire entitlements or 'New Shares' or any other financial products.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the US Securities Act (which APN has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws. The distribution of this announcement in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Forward looking statements

This announcement contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of APN the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond

3. ASX Offer Announcements continued

the control of APN, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the key risks section of the Investor Presentation for a summary of certain general and APN specific risk factors that may affect APN.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in the Investor Presentation. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. The forward looking statements are based on information available to APN as at the date of this announcement.

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APN News & Media

Investor Presentation

Acquisition of ARN and TRN and Entitlement Offer

19 February 2014



IMPORTANT NOTICE & DISCLAIMER

This investor presentation ("Presentation") has been prepared by APN News & Media Limited (ABN 95 008 637 643) ("APN" and "Company"). This Presentation has been prepared in relation to a pro rata non-renounceable entitlement offer of new APN ordinary shares ("New Shares") to be made to: eligible institutional shareholders of APN ("Institutional Entitlement Offer") and eligible retail shareholders of APN ("Retail Entitlement Offer"), under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Class Order 08/35 and other relief obtained in relation to the entitlement offer (together, the "Entitlement Offer").

Summary information

This Presentation contains summary information about the current activities of APN and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with APN's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. APN nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission ("ASIC")). The Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products.

This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which APN has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws (see "International Offering Jurisdictions").

Not financial product advice

This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire entitlements or New Shares and does not and will not form any part of any contract for the acquisition of entitlements or New Shares. This Presentation has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. APN is not licensed to provide financial product advice in respect of APN shares. Cooling off rights do not apply to the acquisition of New Shares.

Financial data

All dollar values are in Australian dollars ("A\$") and financial data is presented as at year ending 31 December 2013 unless otherwise stated. Investors should note that this Presentation contains pro forma financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of APN's views on its future financial condition and/ or performance.

3. ASX Offer Announcements continued



IMPORTANT NOTICE & DISCLAIMER

The pro forma financial information has been prepared by APN in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia.

Future performance

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There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to APN as at the date of this Presentation.

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Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Investment risk

An investment in APN shares is subject to investment and other known and unknown risks, some of which are beyond the control of APN including possible loss of income and principal invested. APN does not guarantee any particular rate of return or the performance of APN, nor does it guarantee the repayment of capital from APN or any particular tax treatment. In considering an investment in APN shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.



AGENDA

- 1) Executive summary
- 2) Transaction highlights
- 3) ARN and TRN overview
- 4) Acquisition funding and balance sheet
- 5) Entitlement Offer
- 6) Appendices



1. EXECUTIVE SUMMARY

- APN is today acquiring full ownership of Australian Radio Network (ARN) and The Radio Network (TRN) from US joint venture partner Clear Channel for \$246.5m ("Acquisition"). The Acquisition gives APN 100% ownership of the largest network of radio stations across Australia and New Zealand
 - Clear Channel remains committed to its relationship with APN in their outdoor joint venture businesses, as well as continuing its partnership with APN for the digital radio platform iHeartRadio across the region
- The Acquisition purchase price of \$246.5m represents an EV/ FY13 EBITDA multiple of approximately 6.9x¹ and will be funded as follows²:
 - \$132m in equity raised by way of a fully underwritten accelerated non-renounceable entitlement offer;
 - \$60m in proceeds from the sale of APN Outdoor which completed on 24 January 2014; and
 - \$61m in debt funded from existing facilities
- Upon completion of the Acquisition and equity raising, APN's pro forma leverage will be 3.0x net debt/ FY13 EBITDA³. APN is committed to strengthening its balance sheet and reducing leverage
 - APN is targeting the generation of \$60m to \$70m of operating cashflows for net debt reduction by end FY2014⁴, which compares to \$54m in FY2013

Note:

1. Based on ARN and TRN's attributable EBITDA of A\$71.5m; adjusted to represent owned share of EBITDA in joint ventures
2. Plus estimated fees and transaction costs of \$7m
3. EBITDA based on continuing operations and pre exceptional items
4. Assuming average and closing AUDNZD exchange rate of 1.09 for FY2014

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2. TRANSACTION HIGHLIGHTS

Radio is a key strategic asset for APN

- Radio continues to grow as a medium and APN expects ARN and TRN to continue capturing a greater share of the market
- APN has a defined radio strategy in place with experienced autonomous management, with ARN having consistently delivered increased audience and revenue share over the past 3 years
- APN considers the Acquisition low risk due to APN's intimate knowledge of ARN and TRN, having run them for nearly 20 years
- Acquisition provides increased cashflows under 100% ownership of ARN and TRN
- Full ownership of ARN and TRN gives APN freedom to pursue new revenue generating opportunities across APN's portfolio of media businesses

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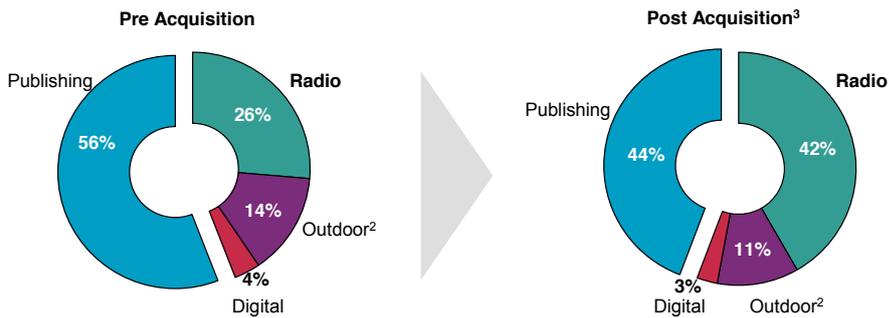
3. ASX Offer Announcements continued



2. TRANSACTION HIGHLIGHTS

Majority of APN earnings post Acquisition are expected to be in businesses delivering consistent growth with further organic growth opportunities

Proportional FY13 EBITDA (from continuing operations¹ excl. corporate costs & pre exceptional items)



- Note:
1. Continuing operations exclude APN Outdoor and brandsExclusive
 2. Outdoor represents 50% of Adshel and HK Outdoor EBITDA
 3. Pro forma reflecting 100% ownership of ARN and TRN



3. ARN OVERVIEW (AUSTRALIA)

ARN is an Australian commercial radio broadcaster with an objective of becoming the #1FM radio network in Australia

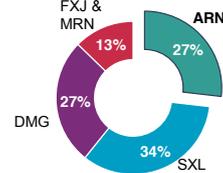
- ARN operates 4 core radio brands that broadcast to approximately 4 million listeners each week across 4 metropolitan Australian markets:
 - ✓ **KIIS 1065** – led by the Kyle & Jackie O show, Sydney’s #1FM Breakfast team, a potential game changer for ARN in key Sydney market
 - ✓ **MixFM** – #1 stations in Brisbane and Adelaide (based on average 2013 surveys)
 - ✓ **Classic Hits** – achieved #1FM station in Sydney for survey 2, 2013 and achieved joint #1FM station in Melbourne for survey 6, 2013
 - ✓ **The Edge** – digital integration with iHeartRadio to grow audiences under 30
- ARN is the only network in Australia to record ratings growth in the 10+ category in each of the last 3 years
- ARN also jointly owns 4 radio stations in Perth, Brisbane and Canberra
- ARN’s objective is to become the #1FM network across Australia led by quality radio talent and refreshed stations

Commercial audience share Syd, Mel, Bris and Adel by age

All 10+



All 25-54



Source: Nielsen Media Research – Survey 8, 2013 (Sydney, Melbourne, Brisbane, Adelaide excluding Perth) % share based on average audience Mon-Sun 5:30am to 12:00 midnight – total audience (excludes government stations and other FM/AM)



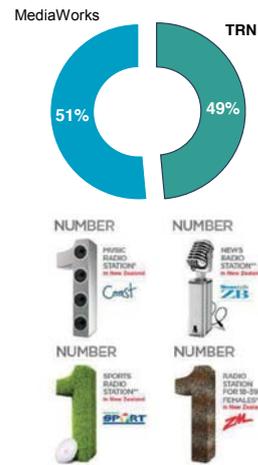


3. TRN OVERVIEW (NEW ZEALAND)

TRN is a leading New Zealand radio broadcaster with the #1 national music, talk and sports radio stations

- TRN operates 7 core radio brands that broadcast to approximately 1.7 million listeners each week across New Zealand:
 - ✓ **Newstalk ZB** – #1 radio station and talk station nationally with more than double the share of any other station in the 30+ Breakfast audience
 - ✓ **Radio Sport** – #1 sports station and #2 talk station nationally
 - ✓ **Coast** – #1 music station nationally
 - ✓ **ZM** – #1 station for 18-39 females nationally
 - ✓ **Classic Hits** – ahead of segment competitors with new national Drive show
 - ✓ **Radio Hauraki** – rebranded to target 25-44 year audience with new national Breakfast and Drive shows
 - ✓ **Flava** – increased 10+ audience by 42% in 2013
- TRN will introduce new top talent and refreshed brands in 2014 across stations Radio Hauraki, ZM and Classic Hits
- TRN is focused on growing its revenues beyond traditional radio by leveraging multi-media platforms (including iHeartRadio) to deliver fully integrated media solutions to advertisers

NZ commercial radio audience share



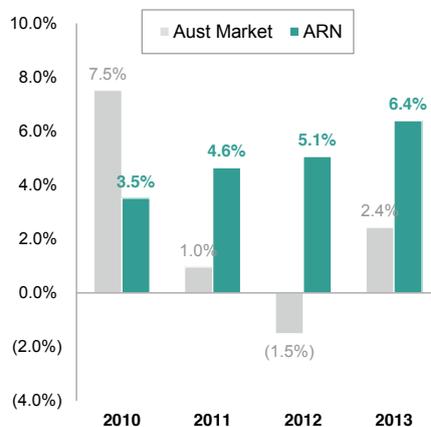
Source: TNS New Zealand Commercial National Survey 2/2013 (October 2013), All 10+, Mon-Sun, 6.00am to 12:00 midnight (excluding other FM/AM)



3. ARN & TRN PERFORMANCE

ARN and TRN outperformed in their respective markets

ARN¹ vs. Australian market² annual revenue growth (in AUD)



Source:
 1. APN financials (December year end)
 2. Commercial Radio Australia radio network advertising revenue growth across metropolitan markets (Sydney, Melbourne, Brisbane, Adelaide; excluding Perth) (December year end)

TRN³ vs. New Zealand market⁴ annual revenue growth (in NZD)



Source:
 3. APN financials (December year end)
 4. New Zealand Advertising Standards Authority up to 2012; 2013 market growth estimate based on TRN management estimates

3. ASX Offer Announcements continued



3. IHEARTRADIO

APN's digital radio growth path is in place through its iHeartRadio platform

- As part of the Acquisition, APN has secured an exclusive 10 year agreement with Clear Channel to operate and broadcast iHeartRadio in Australia and New Zealand, as well as the option to act as the implementation partner for iHeartRadio into parts of Asia¹:
 - APN will pay Clear Channel \$3.0m annually over the next 3 years as part of this arrangement to extend the licence period
- iHeartRadio is the only free custom music and live radio platform, covering over 1,000 live radio stations across all ARN, TRN and Clear Channel US networks
- iHeartRadio launched in Australia and New Zealand in August 2013 and has secured 274,000 registered users and more than 424,000 unique mobile and online visitors and 11.2 million page impressions per month
- iHeartRadio is complementary to radio, offering advertisers greater audience reach as well as new opportunities to reach listeners via:
 - ✓ online and mobile display banners;
 - ✓ video and audio advertising pre-rolls;
 - ✓ custom radio stations;
 - ✓ live streaming, events and broadcast sponsorship; and
 - ✓ rich access to data (gender, age, location, music preference)



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Note: (1) Excluding China, India, Japan, Taiwan and South Korea

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4. ACQUISITION FUNDING

Equity raising to support overall funding requirement

- The Acquisition purchase price of \$246.5m plus \$7m in estimated transaction costs is to be funded as follows:
 - \$132m in equity raised by way of a fully underwritten accelerated non-renounceable entitlement offer;
 - \$60m in proceeds from the sale of APN Outdoor which completed on 24 January 2014; and
 - \$61m in debt funded from existing facilities
- APN will settle the Acquisition and take full ownership of ARN and TRN today (19 February 2014) through (i) drawing on existing facilities and (ii) drawing on an equity bridge facility provided by Commonwealth Bank of Australia ("Equity Bridge Facility"); the Equity Bridge Facility will be repaid through the net proceeds of the equity raising

Sources	A\$m	Uses	A\$m
Equity raising	132	Acquisition	247
APN Outdoor proceeds	60	Estimated transaction costs	7
Increase in drawn debt	61		
Total sources	253	Total uses	253

Note: Numbers may not add due to rounding

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4. PRO FORMA BALANCE SHEET

Pro-forma balance sheet presented on a historical basis

A\$m	APN 31 Dec 13	Adjustments						Pro-forma 31 Dec 13
		Sale of APNO	Sale of bEX	Sale of NZ Mags	Purchase Radio ¹	Acquire iHeartRadio licence	Entitlement Offer ²	
Cash	20	-	-	-	-	-	-	20
Receivables	121	-	-	-	-	-	-	121
Inventories	8	-	-	-	-	-	-	8
PP&E	149	-	-	-	-	-	-	149
Investments	74	-	-	-	-	-	-	74
Intangibles	715	-	-	-	-	8	-	723
Assets held for sale	119	(108)	(8)	(3)	-	-	-	0
Other assets	49	-	-	-	-	-	-	49
Total assets	1,255	(108)	(8)	(3)	-	8	-	1,144
Payables	113	-	-	-	-	-	-	113
Borrowings	452	(68)	2	(4)	249	8	(128)	512
Liabilities ass. with assets held for sale	56	(40)	(10)	(5)	-	-	-	0
Other	23	-	-	-	-	-	-	23
Total liabilities	644	(108)	(8)	(9)	249	8	(128)	648
Contributed equity	1,093	-	-	-	-	-	128	1,222
Reserves	(71)	-	-	-	(41)	-	-	(112)
Accumulated losses	(661)	-	-	6	-	-	-	(655)
Non-controlling interest	249	-	-	-	(208)	-	-	41
Total equity	611	-	-	6	(249)	-	128	495
Gross debt³	452							512
Net debt³	432							492

Notes:

1. Represents purchase price of ARN and TRN including transaction costs
2. Represents total funds raised under Entitlement Offer less transaction costs
3. Net of borrowing costs
4. Numbers may not add due to rounding

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4. FINANCIAL IMPACT

- Upon completion of the Acquisition and equity raising, APN's pro forma leverage will be 3.0x net debt/ FY13 EBITDA¹
- Whilst reported EBITDA will not change given previous full consolidation, APN's operating cash flows are expected to increase under 100% ownership of ARN and TRN
- APN is committed to strengthening its balance sheet and reducing leverage. APN will continue to assess its balance sheet in the context of broader operating conditions in determining when it will resume paying dividends
- APN is targeting the generation of \$60m to \$70m of operating cashflows for net debt reduction by end FY2014², which compares to \$54m in FY2013. APN expects to achieve this target via:
 - continued focus on cash generation;
 - ongoing restructuring and cost saving initiatives; and
 - increased operating cashflows under 100% ownership of ARN and TRN
- Upon completion of the Acquisition and equity raising, APN will have sufficient undrawn facilities to cover all upcoming 2014 maturities

Notes:

1. EBITDA based on continuing operations and pre exceptional items
2. Assuming average and closing AUDNZD exchange rate of 1.09 for FY2014

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3. ASX Offer Announcements continued



5. ENTITLEMENT OFFER SUMMARY

Offer structure and size	<ul style="list-style-type: none"> • 5 for 9 pro rata accelerated non-renounceable entitlement offer to raise approximately \$132m ("Entitlement Offer") • Entitlement Offer is fully underwritten by CBA Equities Limited • Issue price of \$0.36 per New Share ("Offer Price"), representing a 12.5% discount to TERP¹ of \$0.41 • New Shares will rank equally in all respects with existing shares from the date of allotment
Institutional and Retail Entitlement Offer	<ul style="list-style-type: none"> • Institutional Entitlement Offer opens Wednesday, 19 February and closes Thursday, 20 February • Retail Entitlement Offer opens Thursday, 27 February and closes on Friday, 14 March • Eligible retail shareholders are being given the opportunity to apply for New Shares in excess of their entitlement up to a maximum of 100% of their entitlement²
Shareholder commitments	<ul style="list-style-type: none"> • APN has commitments from Allan Gray and Baycliffe Limited ("Baycliffe"), an investment vehicle controlled by Denis O'Brien, that they will take up their full pro rata entitlements • Baycliffe is also sub-underwriting part of the Entitlement Offer equal to the entitlements of Independent News & Media plc ("INM") • The relevant interest of Baycliffe of 30.8% in APN will therefore not change as a result of the Entitlement Offer
Record date	<ul style="list-style-type: none"> • 7.00pm (Sydney time) Monday, 24 February 2014

Notes:

1. The theoretical ex-rights price is the theoretical price at which APN shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which APN shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP
2. Applications for New Shares in excess of entitlements may be scaled back at the Company's absolute discretion. Any allocation of additional New Shares will be made on a pro rata basis

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5. ENTITLEMENT OFFER TIMETABLE

Event	Date (2014)
Trading halt, Institutional Entitlement Offer opens	Wednesday, 19 February
Institutional Entitlement Offer closes	Thursday, 20 February
Record Date for eligibility in the Entitlement Offer (7.00pm Sydney time)	Monday, 24 February
Retail Entitlement Offer opens and dispatch of Retail Offer Booklet	Thursday, 27 February
Settlement of Institutional Entitlement Offer	Thursday, 6 March
Issue and quotation of New Shares under the Institutional Entitlement Offer	Friday, 7 March
Retail Entitlement Offer closes	Friday, 14 March
Announcement of results of Retail Entitlement Offer	Wednesday, 19 March
Settlement of Retail Entitlement Offer	Thursday, 20 March
Allotment of Retail Entitlement Offer	Friday, 21 March
New Shares under Retail Entitlement Offer commence trading on normal settlement basis	Monday, 24 March

Note: Dates and time are indicative only and are subject to change

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Questions

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Appendices

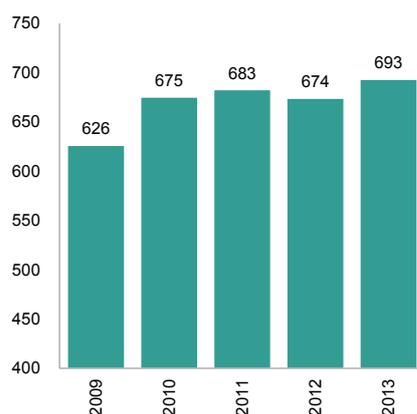
3. ASX Offer Announcements continued



RADIO ADVERTISING REVENUE

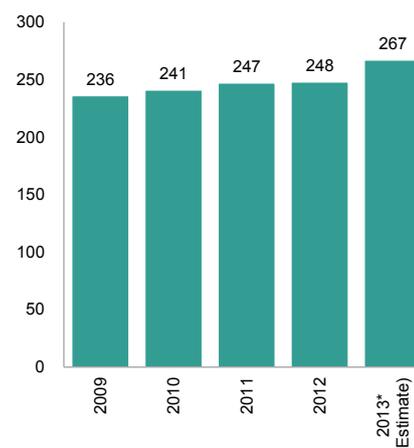
Australian and New Zealand radio industry advertising revenue has been resilient despite a challenged advertising market

Australian metropolitan commercial radio station ad market revenue (A\$m)



Source: Commercial Radio Australia radio network advertising revenue across metropolitan markets (Sydney, Melbourne, Brisbane, Adelaide, Perth) (December year end)

New Zealand radio ad market revenue (NZ\$m)



Source: New Zealand Advertising Standards Authority up to 2012 (based on latest available published data) (December year end)
Note: (*) TRN management estimate for 2013

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LEVERAGE CALCULATION

Upon completion of the equity raising, APN's pro forma leverage will be 3.0x net debt/ FY13 EBITDA

AUD million	FY2013 ¹					Pro Forma FY2013 ¹		
	Ownership	Business EBITDA	Accounting treatment	Consolidated (incl associates)	Proportional (incl associates)	Ownership	Adjustment ²	Consolidated (incl associates)
Australian Regional Media	100%	29.7	Consolidated	29.7	29.7	100%	-	29.7
New Zealand Media	100%	53.0	Consolidated	53.0	53.0	100%	-	53.0
Publishing Group		82.7		82.7	82.7			82.7
Australian Radio Network	50%	58.0	Consolidated	58.0	29.0	100%	29.0	58.0
The Radio Network (NZ)	50%	20.0	Consolidated	20.0	10.0	100%	10.0	20.0
Radio Group		77.9		77.9	39.0			77.9
Adshel (associate)	50%	40.2	Associate	10.6	10.6	50%	-	10.6
Hong Kong Outdoor	50%	1.8	Consolidated	1.8	0.9	50%	-	1.8
Outdoor Group		42.0		12.3	11.4			12.3
GrabOne	100%	4.8	Consolidated	4.8	4.8	100%	-	4.8
INC Network (CC Media)	100%	0.5	Consolidated	0.5	0.5	100%	-	0.5
Digital Group		5.3		5.3	5.3			5.3
Corporate				(15.4)	(15.4)		-	(15.4)
EBITDA (from continuing operations and pre exceptional items)				162.8	123.0			162.8
Net debt³				432	432		60⁴	492
Net debt/ EBITDA				2.7x	3.5x			3.0x

Note:

- For financial year ended 31 December 2013 from continuing operations
- Representing 100% ownership of ARN and TRN
- As at 31 December 2013 net of borrowing costs
- See pro forma balance sheet for detailed adjustments

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PRECEDENT TRANSACTION MULTIPLES

Acquisition purchase price is below precedent transactions

Date	Target	Acquirer	EV (A\$m)	EV/ EBITDA (LTM)
Jul 07	Southern Cross Broadcasting	Macquarie Media Group & Fairfax	1,361	12.9x
Jan 11	Austereo Group	Southern Cross Media Group	944	10.2x
Aug 13	Prime Radio Group	Grant Broadcasters	25	7.4x
Average				10.1x
Feb 14	ARN and TRN	APN News & Media	493	6.9x¹

Source: Company announcements based on publicly available information

Note:

1. Based on ARN and TRN's attributable EBITDA of A\$71.5m; adjusted to represent owned share of EBITDA in joint ventures

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KEY RISKS

Introduction

- Investors should be aware that there are risks associated with an investment in APN.
- Some of the principal factors which may, either individually or in combination, affect the future operating performance of APN are set out below. Some are specific to an investment in APN and the New Shares and others are of a more general nature.
- The summary of risks below is not exhaustive. This Presentation does not take into account the personal circumstances, financial position or investment requirements of any particular person. Additional risks and uncertainties that APN is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the future performance of APN and the New Shares.
- It is important therefore for shareholders and investors before taking up the Entitlement Offer or investing in APN, to read and understand the entire Presentation and to carefully consider these risks and uncertainties. You should have regard to your own investment objectives and financial circumstances and should seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest.

Risks associated with APN

i. Advertising market

- APN's revenues and earnings are predominantly derived from cover price sales and advertising sales in newspaper publishing, radio broadcasting, outdoor advertising and through advertising and transactions on digital platforms. APN is therefore highly leveraged to fluctuations in the advertising markets in Australia and New Zealand and, to a lesser degree, in Hong Kong. This in turn is influenced, in part, by the general condition of the economy which by its nature is cyclical and subject to change. This can cause APN's earnings to be relatively volatile.
- In addition to the broader advertising market, APN's earnings are also influenced by the composition of spend between different media platforms including publishing, radio broadcasting, television broadcasting, outdoor advertising, digital and direct marketing. As APN does not operate across all these media platforms, APN's advertising revenue can be volatile as a result of advertiser's desired composition of spending changing.
- As a result of economic conditions and general levels of consumer and business confidence, businesses have reduced their advertising spend in recent years and are making shorter term decisions in relation to how they spend their advertising budget. Accordingly, APN has reduced visibility as to the likely future advertising spend in the media industries in Australia.
- There can be no assurance that advertising spend in the media industries in Australia will not contract in the future or the composition of advertiser's media spend may change further.
- A prolonged downturn in the advertising market may adversely impact APN's operating and financial performance.

ii. Competition in the media sector

- The media sectors in Australia, New Zealand and Hong Kong can be highly competitive, with a number of operators competing for market share through the same or substitutable products.
- APN faces competition from both existing media groups and other potential new media companies utilising new technologies including digital and other distribution platforms and potentially providing advertisers with richer data and insights.
- The media sector is increasingly fragmented as a result of this heightened competition and there is a shifting share of advertising revenue between the different media platforms.

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3. ASX Offer Announcements continued



KEY RISKS

- The actions of an existing competitor or the entry of new competitors or the issue of new broadcasting licences in either a media sector in which APN operates or in general may have an adverse effect on APN's operating and financial performance.

iii. Changes in consumer behaviour and technology

- The media sector is subject to rapid and significant change in technology and subsequent consumer adoption and the impact of this on APN and its businesses cannot be predicted. The cost of implementing emerging and future technologies could be significant. The development or anticipated development of new technology, or use by consumers, or anticipated use of existing technology by consumers may have a material adverse effect on the operating and financial performance of APN.
- APN's ability to compete in the media industries effectively in the future may be impacted by its ability to maintain or develop appropriate technology platforms for the efficient delivery of its services. No assurance can be given that APN will have the resources to acquire or the ability to develop new competitive technologies. In addition, maintaining or developing appropriate technologies may require significant capital investment by APN.
- Additionally, failure of or interruption (including as a result of computer hackers, computer viruses, malicious software or codes, cyber attacks or unauthorised users) to any technology system such as those relied upon by APN's broadcasting businesses, could result in business interruption, the loss of customers and revenue, damaged reputation and weakening of competitive position and could therefore adversely affect APN's operating and financial performance.

iv. Shift to digital media products and services

- APN's business may be affected by changes to demand for digital and other existing media products and services.
- APN's publishing business has been impacted by economic conditions and a shift to alternative media options, including the internet. Although APN has sought to address this issue by investing in its portfolio of digital businesses and expanding its capabilities within its business divisions, there can be no guarantee that growth in APN's digital businesses will offset any declines in its publishing business, which could therefore adversely affect APN's operating and financial performance. Further, APN's digital ventures include early stage investments, which (although comparatively small) are inherently higher risk.
- Whilst online migration has occurred over recent years, there can be no guarantee that this will continue in the future, which may have an adverse effect on the growth of APN's portfolio of digital businesses (though any such adverse effect may be partly offset by a corresponding benefit to APN's traditional publishing businesses if consumers remain with those forms of media).
- As APN's business includes the publication, circulation and broadcast of media in different forms including online and other distribution platforms, these changes may, depending on their nature and APN's business model at that time, impact on APN's operating and financial performance.

v. Extraordinary earnings shock

- Extraordinary events and natural disasters, such as the Queensland floods in 2011 and 2013, can have a material impact on APN's operating and financial performance as direct operations are disturbed and local advertising markets slow down.

vi. Risk of dividends not being paid

- The payment of dividends by APN is announced at the time of release of APN's half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of the APN business and its financial position at the time. Circumstances may arise where APN is required to reduce or cease paying dividends for a period of time. APN has not declared a final dividend in respect of the full year ended 31 December 2013 and may not pay dividends in respect of the full year ending 31 December 2014. Whether or not the Board determines to pay dividends beyond this period will depend on, among other things, the profitability and cash flow of APN's business and its financial position in line with prevailing market conditions.

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KEY RISKS

vii. Asset impairment risk

- Under Australian accounting standards, intangible assets that have an indefinite useful life, are not subject to amortisation and are reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying amount of an individual asset may not be recoverable. Assets which are considered to have indefinite lives include goodwill, mastheads and Australian radio licences.
- Changes to the carrying amounts of APN's assets (for example mastheads) could have an adverse impact on the reported financial performance of APN in the period that any impairment provision is recorded and could increase volatility of reported earnings in cases where there is further impairment or a reversal of impairment provisions that were recorded in previous periods.
- As part of the financial results for the full year ended 31 December 2013, APN declared an impairment charge in relation to certain of its assets (see APN's FY2013 financial results presentation). Depending on APN's financial performance in the future, further impairment charges may need to be recorded.

viii. Divestment and acquisition activities

- From time to time APN evaluates acquisition and divestment opportunities. Any acquisition and/or divestment would lead to a change in the sources of APN's earnings and could increase the volatility of its earnings. However, there can be no assurance that APN will identify suitable acquisition or divestment opportunities or other projects at acceptable prices, or successfully execute such opportunities or projects. Integration of new businesses into APN may be costly, may not generate expected earnings and may occupy a large amount of management's time.
- In addition, APN's past and future acquisitions and divestments and other projects may subject it to unanticipated risks and liabilities, or disrupt its operations and divert management's attention and resources from APN's day to day operations.

ix. New or loss of broadcasting licences and other regulatory risk

- A loss of one or more broadcasting licences or the issue of new broadcast licences could have a material adverse effect on APN, its business and prospects. APN has no reason to expect cancellation of any of its licences.
- APN may be affected by changes in government policy or legislation applicable to companies in the media sector in various geographies, such as regulations regarding radio broadcasting licences.

x. Economic conditions

- APN's business and its performance are subject to changes in the Australian and New Zealand economy at large. Global economic conditions may have direct and consequential adverse effects on those economies and APN.
- Changes in the macroeconomic environment are beyond the control of APN and include, but are not limited to:
 - Changes in inflation, interest rates and foreign currency exchange rates;
 - Changes in employment levels and labour costs, which will affect the cost structure of APN;
 - Changes in aggregate investment and economic output; and
 - Other changes in economic conditions which may affect the revenue or costs of APN.
- APN's traditional businesses have relatively fixed cost bases which may limit APN's ability to scale its overall cost structure up or down in response to economic conditions.

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KEY RISKS

xi. Joint ventures

- Ownership of APN's joint venture operations in certain outdoor advertising businesses (Adshel in Australia and New Zealand and Hong Kong Outdoor) is shared equally with Clear Channel Communications, Inc.
- Given the nature of the joint venture agreements, many strategic, financial and operational decisions for each of the joint ventures are made using a shared decision-making process between APN and its applicable joint venture partners. As a result, APN may be constrained in implementing any operational or strategic changes in those businesses. Further, APN's ability to undertake transactions or restructures with certain assets may be constrained by change of control and pre-emption clauses in those joint venture arrangements.
- Matters which affect joint venture partners may therefore also affect APN.

xii. Seasonality of revenue

- APN generally experiences seasonality in earnings which historically has resulted in stronger revenue generation in the six months ending 31 December compared to the six months ending 30 June. APN relies on the seasonality trends historically displayed by its operating results to prepare forecasts and budgets. There is no guarantee that the seasonality trends displayed historically will continue in the future.
- As APN's mix of assets changes over time, the seasonality in earnings for the whole business will also change. As a result, there is no guarantee that the seasonality trends displayed historically will continue in the future.

xiii. Credit risk

- Credit market conditions and the operating and financial performance of APN will affect borrowing costs as well as APN's capacity to repay, refinance or increase its debt.
- APN is subject to covenants in its debt facilities, including interest coverage, leverage and balance sheet gearing tests. If APN were to breach any of these covenants, its debt could be immediately declared repayable and there is no guarantee that APN would have sufficient cash flow to meet its repayment obligations or be able to source refinancing on acceptable terms.
- In particular, there is a risk that further asset impairments could have a negative impact on APN's ability to satisfy relevant covenants in its credit agreements.
- Further, certain bank facilities will need to be refinanced at various maturity dates. APN may incur increased borrowing costs, or may even be unable to refinance with new debt if its credit profile has deteriorated materially, or if there are reductions in debt market liquidity at or around the time that APN needs to refinance its various debt tranches. Whether this occurs will depend on numerous factors, some of which are outside APN's control, such as the prevailing economic, political and capital market conditions and credit availability. The inability to refinance these facilities on satisfactory terms could adversely affect APN's financial performance.

xiv. Refinancing of Equity Bridge Facility

- The Acquisition is being part funded by an Equity Bridge Facility at completion. The Equity Bridge Facility must be repaid within 12 months from the date of the Equity Bridge Facility (the "Termination Date"). APN will apply the proceeds of the Entitlement Offer to repay the Equity Bridge Facility prior to the Termination Date. If the Equity Bridge Facility has not been repaid in full from the proceeds of the Entitlement Offer, APN will be obliged to raise alternative funding to repay the Equity Bridge Facility. If such alternative funding is required, there is no certainty regarding the timing, quantum or terms associated with that alternate funding. APN's financial performance could be adversely impacted by the nature of any alternative funding utilised.

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KEY RISKS

xv. Risks associated with large shareholders

- APN has a small number of shareholders with relatively large shareholdings. Prior to the Entitlement Offer, APN's two largest shareholders and their related entities together hold approximately 50.4% of APN's existing shares on issue. An expectation by the market that one or more of these shareholders may sell all or a substantial portion of its APN shareholding, or the actual sale of such a shareholding, could have a negative effect on the price of APN shares.

xvi. Counterparty risk

- APN is exposed to collection risk where the counterparty fails to fulfil its contractual obligations.
- For example, APN is exposed to advertising agencies with which it conducts regular business on behalf of their clients. This exposes APN to collection risk with agencies in circumstances where they encounter financial difficulties.

xvii. Geographical and foreign exchange risk

- APN's revenue and earnings are derived from its Australian, New Zealand and Hong Kong operations.
- An investment in APN will therefore also include exposure to economic and currency fluctuations in any of these countries.
- Additionally, a substantial part of APN's publishing revenue is derived from regional Australia, including areas that have previously been affected by floods.
- APN's policy is to hold appropriate levels of debt in Australian and New Zealand currency to match the earnings in each of APN's respective geographic businesses. However APN reports debt in Australian dollars in the statutory accounts. Currency fluctuations can impact APN's level of drawn debt reported in Australian currency.

xviii. Key personnel

- The publishing, broadcasting, outdoor and digital advertising industries are highly dependent on the talent, creative abilities and technical skills of the personnel of the service providers and the relationships their personnel have with clients.
- APN has established a reputation in the industry that attracts talented personnel. However, APN competes with other companies in the media sector to recruit and retain key executives and professional staff.
- There is no assurance that APN will be able to recruit or retain skilled and experienced employees on acceptable terms.
- Ratings for APN's radio business are highly dependent on content and key talent. As a result, a loss of key personnel, or the inability to attract new qualified personnel, may detrimentally impact APN's operating and financial performance.

xix. Contract risk

- APN's outdoor business is dependent on long-term contracts. There is no assurance that APN will be able to renew these contracts, on appropriate terms or win new contracts in the future.

xx. Litigation and legal matters

- APN is exposed to the risk of potential legal action and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties.
- Furthermore, the media industry involves particular risks associated with defamation litigation and litigation to protect media and intellectual property rights.

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3. ASX Offer Announcements continued



KEY RISKS

- Some APN employees are engaged in labour that entails risk of workplace accidents and incidents. In the event that an APN employee is injured in the course of their employment, APN may be liable for penalties or damages. This has the potential to harm both the reputation and financial performance of APN.

- As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may materially adversely affect the operating and financial performance of APN.

xxi. Taxation risk

- The Company operates in multiple tax jurisdictions and is subject to review by the relevant tax authorities.

- The Company is involved in a dispute with the New Zealand Inland Revenue Department ("IRD") regarding certain financing transactions. The dispute involves tax of NZ\$56 million for the period up to 31 December 2013. The IRD is seeking to impose penalties of between 10% and 50% of the tax in dispute and interest in addition to the tax claimed. In the event the Company is unsuccessful in the dispute the Company has tax losses available to offset any amount of tax payable to the extent of NZ\$40 million. Any fines or penalties imposed by the IRD would be capable of being offset by such tax losses but interest is not.

- This dispute is currently expected to be litigated in the High Court of New Zealand commencing around mid-2014.

- In addition, the IRD has indicated it will audit an arrangement pertaining to withholding tax associated with a financing transaction. As at 19 February 2014 there is no indication as to the timing of the commencement of this audit, nor any likely outcome.

- The Company is satisfied that its treatment of the financing transactions is consistent with all relevant legislation and that no tax will become payable.

Risks associated with New Shares

i. Investment in equity capital

- There are general risks associated with investments in equity capital. The trading price of shares in APN may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors which may affect the market price of shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in interest rates and the rate of inflation;
- changes in government regulation and policies;
- announcement of new technologies; and
- geo-political instability, including international hostilities and acts of terrorism.

- No assurances can be given that the New Shares will trade at or above the Offer Price. None of APN, its Board or any other person guarantees the market performance of the New Shares.

ii. Risks associated with not taking up your rights under the Entitlement Offer

- If you do not take up all of your rights to acquire New Shares under the Entitlement Offer, your percentage shareholding in APN will be diluted and you will not receive any value for the rights to New Shares that you do not take up.

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INTERNATIONAL OFFERING JURISDICTIONS

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia and the Isle of Man except to the extent permitted below.

European Economic Area – Luxembourg

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

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INTERNATIONAL OFFERING JURISDICTIONS

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(i) of the Prospectus Regulations.

Jersey (Channel Islands)

No offer or invitation to subscribe for shares may be made to the public in Jersey.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand).

The New Shares in the Entitlement Offer are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

Other than in the Entitlement Offer, New Shares may be offered and sold in New Zealand only to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).



INTERNATIONAL OFFERING JURISDICTIONS

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

3. ASX Offer Announcements continued



MARKET ANNOUNCEMENT

APN COMPLETES INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER WITH STRONG INVESTOR SUPPORT

SYDNEY, 21 February, 2014 – As announced on 19 February 2014, APN News & Media Limited [ASX, NZX: APN] has commenced a fully underwritten 5 for 9 pro rata accelerated non-renounceable entitlement offer of new APN ordinary shares ('New Shares') to raise gross proceeds of approximately \$132 million at a price of \$0.36 per New Share ('Entitlement Offer'). The Entitlement Offer is fully underwritten by CBA Equities Limited ('CBA Equities').

The proceeds of the Entitlement Offer will be used to part fund APN's acquisition of 100% of Australian Radio Network Pty Limited ('ARN') and The Radio Network Limited ('TRN') from Clear Channel Communications Inc ('Clear Channel').

The institutional component of the Entitlement Offer raised approximately \$112 million¹ (through the issue of approximately 313 million shares) and was well supported by existing institutional shareholders. Commitments of approximately 98% were received from eligible institutional investors in respect of their entitlements². There was strong demand from a broad base of new investors and existing institutional shareholders for the remaining shares not taken up by eligible institutional shareholders.

APN Chief Executive Officer, Michael Miller said "We are delighted with the support that we have received from our shareholders. In addition to the high take-up rate, we are also very encouraged by the significant interest from new institutional investors. This not only shows overwhelming support for APN's acquisition of ARN and TRN, but also for the broader strategic path that APN is taking."

The retail component of the Entitlement Offer will raise ('Retail Entitlement Offer') approximately \$20 million and will open on 27 February 2014. Eligible retail shareholders with a registered address in Australia, New Zealand or Ireland on the record date of 7:00pm (Sydney Time) on 24 February 2014 will be invited to participate in the Retail Entitlement Offer, and are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. APN expects to lodge the Retail Offer Booklet with the ASX and NZX and dispatch to eligible retail shareholders on or about 27 February 2014. The Retail Entitlement Offer is fully underwritten by CBA Equities.

-- ENDS --

For further information:

Peter Brookes, Citadel, +61 407 911 389

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¹ Amount raised includes the entitlement of Independent News & Media PLC ('INM') which was sub-underwritten by Baycliffe Limited (a company controlled by Denis O'Brien) – refer to the "Notice under section 708AA" released on 19 February 2014 for further details of the sub-underwriting and settlement arrangements.

² Take-up rate does not include the entitlement of INM which was sub-underwritten by Baycliffe.

Not for distribution or release in the United States

This announcement is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission ("ASIC")). The announcement is not and should not be considered an offer or an invitation to acquire entitlements or 'New Shares' or any other financial products.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the US Securities Act (which APN has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws. The distribution of this announcement in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Forward looking statements

This announcement contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of APN the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of APN, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the key risks section of the Investor Presentation for a summary of certain general and APN specific risk factors that may affect APN.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in the Investor Presentation. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. The forward looking statements are based on information available to APN as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), APN undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

4. Actions Required by You

4.1 YOUR ENTITLEMENT

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 5 New Shares for every 9 existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding. You can also view details of your Entitlement at www.linkmarketservices.com.au.

New Shares issued under the Retail Entitlement Offer will be fully paid and from allotment rank equally in all respects with existing Shares and will be entitled to dividends on the same basis as existing Shares.

4.2 CONSIDER THE RETAIL ENTITLEMENT OFFER CAREFULLY IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act that allow entitlement offers to be made without a prospectus. This Retail Offer Booklet does not contain all of the information that may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer (and Additional New Shares if applicable). As a result, it is important for you to read carefully and understand the information on APN and the Retail Entitlement Offer made publicly available prior to deciding whether to take up all or part of your Entitlement, take up all of your Entitlement and also apply for Additional New Shares or do nothing in respect of your Entitlement. In particular, please refer to this Retail Offer Booklet, APN's interim and annual reports and other information lodged by APN with ASX and NZX as part of its continuous disclosure obligations, available at www.asx.com.au (including announcements which may be made by APN after publication of this Retail Offer Booklet).

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the "Key risks" section of the APN Investor Presentation included in Section 3 of this Retail Offer Booklet.

4.3 CONSIDER THE OPTIONS AVAILABLE TO YOU

Eligible Retail Shareholders may do one of the following:

- Take up all or part of your Entitlement (see Section 4.3.1);
- Take up all of your Entitlement and apply for Additional New Shares, unless you are a Related Party of APN (see Section 4.3.1); or
- Do nothing and let your Entitlement lapse (see Section 4.3.2).

4.3.1 If you wish to take up all or part of your Entitlement (and Additional New Shares if applicable)

If you wish to take up all or part of your Entitlement (and Additional New Shares if applicable), please either:

- Complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or

- Pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form, in which case you do not need to return your personalised Entitlement and Acceptance Form,

in each case, by no later than 5.00pm (Sydney time) on Friday, 14 March 2014.

If you only take up part of your Entitlement the remaining part you do not take up will lapse and the New Shares not subscribed for will form part of the Shortfall. Your percentage holding in APN will be reduced. As the Entitlement Offer is non-renounceable, you will not receive any value or consideration for any part of your Entitlement that lapses. Your Entitlement cannot be traded on ASX, NZX or any other exchange, nor can it be privately transferred.

If you take up and pay for all or part of your Entitlement (and Additional New Shares if applicable) before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares (and Additional New Shares if applicable) on Friday, 21 March 2014. APN's decision on the number of New Shares (and Additional New Shares if applicable) to be issued to you will be final.

APN, in conjunction with the Underwriter, also reserve the right (in their absolute discretion) to reduce the number of New Shares and Additional New Shares issued to Eligible Retail Shareholders (or persons claiming to be Eligible Retail Shareholders), if APN believe their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to APN's satisfaction.

4.3.2 If you do nothing

If you decide not to apply for any of your Entitlement, or fail to apply by the Closing Date, your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall and your percentage holding in APN will be reduced. As the Entitlement Offer is non-renounceable, you will not receive any value or consideration for any part of your Entitlement that lapses. Your Entitlement cannot be traded on ASX, NZX or any other exchange, nor can it be privately transferred.

4.4 PAYMENT

You can pay in the following ways:

- By BPAY®; or
- By cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued. APN will treat you as applying for as many New Shares (and Additional New Shares if applicable) as your payment will pay for in full up to your Entitlement (and Additional New Shares if applicable).

Any Application Monies received for more than your final allocation of New Shares (and Additional New Shares if applicable) will be refunded as soon as practicable and by no later than 24 March 2014. No interest will be paid to Applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- You do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 4.6;
- If you do not pay for your full Entitlement (and Additional New Shares if applicable), you are deemed to have taken up your Entitlement (and Additional New Shares if applicable) in respect of such whole number of New Shares (and Additional New Shares if applicable) which is covered in full by your Application Monies; and
- It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Friday, 14 March 2014. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "APN Entitlement Offer" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- For an amount equal to A\$0.36 multiplied by the number of New Shares (and Additional New Shares if applicable) that you are applying for; and
- In Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars or Euros. New Zealand or Irish resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares (and Additional New Shares if applicable) you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied

for such lower whole number of New Shares (and Additional New Shares if applicable) as your cleared Application Monies will pay for (and to have specified that number of New Shares (and Additional New Shares if applicable) on your personalised Entitlement and Acceptance Form) and made the warranties in Section 4.6. Alternatively, your application will not be accepted.

4.5 MAILING ADDRESS

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on Friday, 14 March 2014. If you make payment via cheque, bank draft or money order, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

APN News & Media Limited
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at APN's registered or corporate offices or via hand delivery at the offices of the Share Registry.

4.6 REPRESENTATIONS BY ACCEPTANCE

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® or otherwise applying to participate, you will be deemed to have represented and warranted to APN on behalf of yourself and each person or account for which you are acting that you are an Eligible Retail Shareholder and:

- Acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- Agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (including this Section 4.6), and APN's constitution;
- Authorise APN to register you as the holder(s) of New Shares (and Additional New Shares if applicable) allotted to you;
- Declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- Declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- Acknowledge that once APN receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- Agree to apply for and be issued up to the number of New Shares (and Additional New Shares if applicable) specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share (and Additional New Share if applicable);

4. Actions Required by You continued

- Authorise APN, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (and Additional New Shares if applicable) to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- Declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- Declare that you, independently or together with any of your affiliates (as defined in the Broadcasting Services Act 1992 (Cth)) will not, as a result of your subscription for the New Shares (and Additional New Shares if applicable) specified in the personalised Entitlement and Acceptance Form, become in a position to exercise control of APN;
- Acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares (and Additional New Shares if applicable) are suitable for you given your investment objectives, financial situation or particular needs;
- Acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in APN and is given in the context of APN's past and ongoing continuous disclosure announcements to ASX and NZX;
- Acknowledge the statement of risks in the "Key risks" section of the APN Investor Presentation contained in Section 3 of this Retail Offer Booklet, and that investments in APN are subject to risk;
- Acknowledge that none of APN, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of APN, nor do they guarantee the repayment of capital;
- Agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- Authorise APN to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- Represent and warrant (for the benefit of APN, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and you are otherwise eligible to participate in the Retail Entitlement Offer;
- Represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares (and Additional New Shares if applicable) and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- Represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you are holding Shares for the account or benefit of such person in the United States);
- Understand and acknowledge that the New Shares (and Additional New Shares if applicable) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and, accordingly, may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- Represent, warrant and agree that you have not, and will not, send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia, New Zealand and Ireland (except as nominees and custodians may be permitted under Section 6.11);
- Agree that, if in the future you decide to sell or otherwise transfer the New Shares (and Additional New Shares if applicable), you will only do so in regular way transactions on the ASX or NZX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States;
- Represent and warrant that you are a resident of Australia, New Zealand or Ireland; and
- If you are acting as a nominee or custodian, represent and warrant that each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States or any other country outside Australia and New Zealand (except as permitted under Section 6.11), and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person in the United States or any other country outside Australia and New Zealand (except as permitted under Section 6.11).

4.7 ENQUIRIES

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the APN Offer Information Line on 1300 365 969 (within Australia), 0800 767 556 (within New Zealand) or +61 1300 365 969 (outside of Australia and New Zealand). The APN Offer Information Line will be open from 7.30am to 5.30pm (Sydney time), Monday to Friday until 3 April 2014. Alternatively, you can access information about the Retail Entitlement Offer online at www.apn.com.au. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

5. Australian Taxation Considerations

The comments in this summary deal only with the general Australian taxation implications of the Retail Entitlement Offer for Eligible Retail Shareholders and is not tax advice. Taxation implications vary depending upon the particular circumstances of individual Eligible Retail Shareholders. Eligible Retail Shareholders should seek their own advice as to the taxation implications of the Retail Entitlement Offer applicable to their own particular circumstances from their own financial or tax advisers.

The summary below:

- Applies only to Eligible Retail Shareholders who are residents of Australia for Australian income tax purposes who hold their existing Shares, New Shares and Additional New Shares on capital account for Australian income tax purposes;
- Does not apply to Eligible Retail Shareholders who hold their existing Shares, New Shares or Additional New Shares as assets used in carrying on a business or who carry on the business of share trading, insurance, banking or investment or whose existing Shares, New Shares or Additional New Shares are otherwise held as revenue assets or trading stock for Australian income tax purposes;
- Does not apply to Eligible Retail Shareholders who are exempt from Australian income tax;
- Does not apply to Eligible Retail Shareholders who are subject to, or have elected to be subject to the "Taxation of Financial Arrangements" (or TOFA) rules of the Australian income tax law;
- Does not apply to Eligible Retail Shareholders who acquired their existing Shares through an employee share scheme;
- Does not apply to Eligible Retail Shareholders who acquired or are taken to have acquired their shares before 20 September 1985;
- Does not consider the taxation implications of the Retail Entitlement Offer under any taxation laws other than the taxation laws of Australia; and
- Is based on Australian taxation law and practice in effect as at 9.00am on the date of this Retail Offer Booklet.

5.1 ISSUE OF ENTITLEMENTS

The issue of Entitlements:

- Should not give rise to a capital gains tax (CGT) event for an Eligible Retail Shareholder; and
- Should not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

5.2 LAPSING OF ENTITLEMENTS

If the Eligible Retail Shareholder allows their Entitlements to lapse, there should be no Australian income tax consequences arising for the Eligible Retail Shareholder.

5.3 EXERCISE OF ENTITLEMENTS

Eligible Retail Shareholders who exercise their Entitlements and acquire New Shares, and in the Company's absolute discretion, Additional New Shares, should acquire those Shares with a cost base and

reduced cost base for CGT purposes equal to the Offer Price payable by them for those New Shares or Additional New Shares (as applicable) plus any non-deductible incidental costs they incur in acquiring them.

Any capital gain or loss made by an Eligible Retail Shareholder from exercising the Entitlements should be disregarded.

5.4 NEW SHARES AND ADDITIONAL NEW SHARES

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and, in the Company's absolute discretion, Additional New Shares (as applicable). Any future dividends or other distributions made in respect of those New Shares and Additional New Shares should generally be subject to the same taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

On any future disposal of New Shares or Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base (in which case the Eligible Retail Shareholder will make a capital gain) or less than the reduced cost base (in which case the Eligible Retail Shareholder will make a capital loss) of the New Shares or Additional New Shares (as applicable).

A capital loss made by an Eligible Retail Shareholder from the disposal of New Shares or Additional New Shares may be available to reduce capital gains (if any) arising in the tax year of disposal or in subsequent tax years.

If an Eligible Retail Shareholder is an individual, trust or complying superannuation fund, the Eligible Retail Shareholder may be entitled to discount CGT treatment in respect of a capital gain made on the disposal of their New Shares or Additional New Shares where the Eligible Retail Shareholder has held the New Shares or Additional New Shares for at least 12 months prior to the disposal.

New Shares should be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to acquire them. Additional New Shares should be treated for the purposes of the CGT discount as having been acquired when the Company issues those Additional New Shares to the Eligible Retail Shareholder.

If CGT discount is applicable, the amount of the capital gain remaining after the application of any applicable capital losses is reduced by 50% in the case of an individual or a trust (other than a trust that is a complying superannuation entity) or by one-third if the gain is made by a complying superannuation entity.

5.5 OTHER AUSTRALIAN TAXES

No Australian Goods and Services Tax (GST) or stamp duty should be payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares and Additional New Shares, being shares which are quoted on the ASX.

6. Important Information

This Retail Offer Booklet (including the ASX announcements in Section 3) and enclosed personalised Entitlement and Acceptance Form (Information) have been prepared by APN.

This Information is dated 27 February 2014 (other than the APN Investor Presentation and the APN Entitlement Offer launch announcement dated 19 February 2014 and the Institutional Offer completion announcement dated 21 February 2014). This Information remains subject to change without notice and APN is not responsible for updating this Information.

There may be additional announcements made by APN after the date of this Retail Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement (and apply for Additional New Shares if applicable). Therefore, it is prudent that you check whether any further announcements have been made by APN (by visiting the ASX website at www.asx.com.au or the NZX website at www.nzx.com) before submitting your application to take up your Entitlement (and apply for Additional New Shares if applicable).

No party other than APN has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention.

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the “Key risks” section of the APN Investor Presentation included in Section 3 of this Retail Offer Booklet, any of which could affect the operating and financial performance of APN or the value of an investment in APN.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

6.1 UNDERWRITING OF THE ENTITLEMENT OFFER

APN has entered into an underwriting agreement (**Underwriting Agreement**) with CBA Equities Limited (**Underwriter**) who has agreed to manage and fully underwrite the Entitlement Offer. As is customary with these types of arrangements:

- APN has agreed to indemnify the Underwriter, its related bodies corporate and other related entities, and each of their respective directors, officers, employees and representatives against certain losses they may suffer or incur in connection with the Entitlement Offer;
- APN and the Underwriter have given certain representations and warranties and APN has given certain undertakings in connection with (among other things) the Entitlement Offer;
- the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
 - any of the offer documents (including this Retail Offer Booklet and ASX announcements made in connection with the Entitlement Offer) omits information required by the Corporations Act or any other applicable law, or is or becomes materially misleading or deceptive or likely to materially mislead or deceive;
 - a cleansing notice given to ASX in relation to the Entitlement Offer is or becomes defective, or an additional cleansing notice is, or is required to be, given;
 - there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of APN (or any member of the APN group in so far as it affects the overall position of APN) from that disclosed to ASX;
 - the S&P/ASX 200 Index closes at a level that is 10% or more below its level at market close on the business day immediately preceding the date of the Underwriting Agreement until 4.00pm on the date of settlement of the Institutional Entitlement Offer;
 - the S&P/ASX 200 Index closes on any three consecutive trading days during the period from the date the Entitlement Offer is announced until 4.00pm on the date of settlement of the Retail Entitlement Offer at a level that is 15% or more below the level of that index as at market close on the business day immediately preceding the date of the Underwriting Agreement;
 - APN is removed from the official list of ASX or NZX, the Shares cease trading or are suspended from quotation, or approval for quotation of the New Shares (and Additional New Shares if applicable) is not given by ASX or NZX;
 - there are certain delays in the timetable for the Entitlement Offer without the Underwriter's consent;
 - any party to the Equity Bridge Facility Agreement between APN and the Commonwealth Bank of Australia or APN's existing Multi-Option Club Facility (together, **Finance Documentation**) terminates, rescinds, withdraws or revokes the Finance Documentation;
 - any member of the APN group breaches or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement including the Finance Documentation;
 - any party to the Acquisition Agreement terminates except by performance, rescinds, withdraws or revokes the Acquisition Agreement; either the Company or any member of the APN group is in breach of, or default under, any provision of the Acquisition Agreement; or
 - a change in APN's CEO, CFO or board of directors occurs.

- the Underwriter may also terminate the Underwriting Agreement for standard events that have or are likely to have a material adverse effect on the outcome or success of the Offer or could give rise to a liability for the Underwriter, including where:
- a future matter expressed in an Offer Document becomes incapable of being met;
 - APN varies the issued capital or capital structure other than in connection with the Entitlement Offer or financing arrangements for the purposes of the Acquisition;
 - APN disposes or agrees to dispose of a substantial part of its business or property;
 - APN breaches the Underwriting Agreement;
 - the information provided by APN to the Underwriter in relation to the Offer is false, misleading or deceptive or likely to mislead or deceive (including by omission);
 - there is an application to a government agency (including the Takeovers Panel), of unacceptable circumstances;
 - there is a disruption to the financial, political or economic conditions in key markets, or hostilities commence or escalate in certain key countries.

The Underwriter will be paid:

- a management fee of 1.55% of the Entitlement Offer proceeds; and
- an underwriting fee of 1.20% of the Entitlement Offer proceeds (except for proceeds received from INM, Baycliffe and Allan Gray) plus A\$0.65 million,

(in each case excluding GST) and will be reimbursed for certain expenses.

6.2 SUB-UNDERWRITING ARRANGEMENTS

6.2.1 Baycliffe sub-underwriting arrangement

The Underwriter has entered into a sub-underwriting agreement with Baycliffe (a company controlled by Denis O'Brien) (**Sub-underwriting Agreement**) under which Baycliffe has agreed with the Underwriter to subscribe for up to 106,411,708 New Shares (**Shortfall Shares**), conditional on:

- INM not taking up its full entitlement under the Entitlement Offer; and
- Baycliffe obtaining approval from the Foreign Investment Review Board under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FIRB Approval**), which it is currently seeking.

Under the Sub-underwriting Agreement, if INM did take up any shares in respect of its entitlements, the number of Shortfall Shares would be reduced by the number taken up by INM.

If Baycliffe obtains FIRB Approval:

- by 6.00pm on the day before the Institutional Entitlement Offer settlement date (**Institutional Settlement Date**), it will subscribe for the Shortfall Shares on the Institutional Settlement Date;
- after that time and before 6.00pm on the day before the Retail Entitlement Offer settlement date (**Retail Settlement Date**), it will subscribe for the Shortfall Shares on the Retail Settlement Date.

If Baycliffe has not obtained FIRB Approval by 6.00pm on the day before the Retail Settlement Date, the Underwriter (or a related entity of it) will itself subscribe for the Shortfall Shares, using funds previously contributed by Baycliffe in the amount of the Offer Price multiplied by the number of Shortfall Shares (**Shortfall Amount**). The Underwriter will sell those Shortfall Shares to Baycliffe if Baycliffe obtains FIRB Approval before 12 months after the Retail Settlement Date.

If Baycliffe does not obtain FIRB Approval before 12 months after the Retail Settlement Date, Baycliffe and the Underwriter (or a related entity of it) will endeavour to enter into a cash settled total return equity swap at the Offer Price in respect of the number of Shortfall Shares, for at least 12 months after the Retail Settlement Date. If Baycliffe subsequently obtains FIRB Approval, the Underwriter will transfer the APN Shares held by it in respect of the swap to Baycliffe and unwind the swap.

If within 12 months after the Retail Settlement Date Baycliffe has not received FIRB Approval and has not entered into alternative swap arrangements with the Underwriter as described above, the Underwriter will endeavour to sell the Shortfall Shares between 12 and 15 months after the Retail Settlement Date and deliver the net proceeds of the sale to Baycliffe.

Baycliffe's rights to subscribe for Shortfall Shares pursuant to the arrangements described above lapse if the Entitlement Offer does not proceed or the Underwriter terminates its underwriting obligations under the Underwriting Agreement between APN and the Underwriter. Baycliffe will not be able to exercise any voting rights (but will ultimately be entitled to the amount of distributions, dividends or returns paid) in respect of the Shortfall Shares while held by the Underwriter under these arrangements.

Prior to the announcement of the Entitlement Offer, Baycliffe had a relevant interest in approximately 30.84% of APN's Shares (including a direct holding of 1.89% and an indirect relevant interest in the APN Shares held by INM). If Baycliffe is issued the full number of Shortfall Shares:

- Baycliffe's total relevant interest in APN's Shares will remain unchanged at approximately 30.84%; and
- Baycliffe's direct holding of APN's Shares will increase to approximately 12.23%; and
- INM's interest in APN's Shares will decrease from 28.95% to 18.61%.

6.2.2 Allan Gray sub-underwriting arrangement

The Underwriter has entered into a sub-underwriting agreement with Allan Gray under which Allan Gray has agreed to sub-underwrite the Retail Entitlement Offer up to a certain amount such that its relevant interest in APN will not exceed 19.90%.

Prior to the announcement of the Entitlement Offer, Allan Gray had a relevant interest in approximately 19.55% of APN's Shares.

The sub-underwriting agreement between Allan Gray and the Underwriter contains customary terms and conditions in relation to the commitment.

Please see Section 6.6.2 for details of the effect the Entitlement Offer may have on the control of APN.

6. Important Information continued

6.3 RISKS

The APN Investor Presentation details important factors and risks that could affect the financial and operating performance of APN and your decision whether and how to participate in the Entitlement Offer. You should refer to the “Key risks” section of the APN Investor Presentation dated 19 February 2014 which is included in Section 3 of this Retail Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement or an application for Additional New Shares.

6.4 RANKING OF NEW SHARES AND ADDITIONAL NEW SHARES

New Shares and Additional New Shares will be fully paid and from allotment rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares and Additional Shares are set out in APN’s constitution, a copy of which was released on 3 May 2011 on the ASX website at www.asx.com.au.

6.5 RECONCILIATION, TOP-UP SHARES AND THE RIGHTS OF APN AND THE UNDERWRITER

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them (and Additional New Shares if applicable). These matters may result in a need for reconciliation. If reconciliation is required, it is possible that APN may need to issue additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares.

APN reserves the right to reduce the size of an Entitlement or number of New Shares (and Additional New Shares if applicable) allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if APN believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, APN may, in its discretion, require the relevant shareholder to transfer excess New Shares (and Additional New Shares if applicable) to the Underwriter at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares (and Additional New Shares if applicable) in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by APN or the Underwriter. Those applying acknowledge that there is no time limit on the ability of APN or the Underwriter to require any of the actions set out above.

6.6 EFFECT OF THE ENTITLEMENT OFFER ON APN

6.6.1 Effect on APN’s share capital

The principal effect of the Entitlement Offer on APN’s share capital will be to increase the number of Shares on issue from 661,526,586 to up to 1,029,041,356 Shares following completion of the Entitlement Offer.

The capital structure of APN following completion of the Entitlement Offer is summarised below assuming that all Entitlements under the Entitlement Offer (including those that would have otherwise been available to Ineligible Institutional Shareholders or Ineligible Retail Shareholders) are fully exercised.

Shares	Number
Shares outstanding at the date of Retail Offer Booklet	661,526,586
Maximum number of Shares that may be issued under the Entitlement Offer	367,514,770
Total Shares on issue at completion of the Entitlement Offer	1,029,041,356

The final number of New Shares to be issued under the Entitlement Offer is subject to reconciliation.

6.6.2 Control implications of the Entitlement Offer

The potential effect the Entitlement Offer will have on the control of APN, and the consequences of that effect, will depend on a number of factors, in particular shareholder demand under the Entitlement Offer and the sub-underwriting arrangements described in Section 6.2. The primary consequences are that:

- if all eligible shareholders take up their Entitlements to New Shares, the Entitlement Offer would have no material effect on the control of APN as eligible shareholders would continue to hold the same percentage interest in APN; or
- if some eligible shareholders do not take up their full Entitlement, such shareholders’ interest would be diluted relative to those who did take up their full Entitlement, and those who apply for and are issued Additional New Shares.

New Shares that are not taken up by Eligible Retail Shareholders:

- will first be used to satisfy valid applications for Additional New Shares; and
- if not taken up as Additional New Shares, may be placed to the Underwriter and, by extension, to one or more general sub-underwriters.

Prior to the announcement of the Entitlement Offer, the major shareholders' relevant interests in APN were approximately as follows:

- INM's relevant interest was 28.95%;
- Baycliffe's relevant interest was 30.84% (including a relevant interest in the APN Shares held by INM); and
- Allan Gray's relevant interest was 19.55%.

Following completion of the Entitlement Offer, the major shareholders' relevant interests in APN will be approximately as follows:

- INM's relevant interest will be 18.61%;
- Baycliffe's relevant interest will be 30.84% (being a direct interest of 12.23% and a relevant interest in INM's Shares in APN assuming it has been issued the full number of Shortfall Shares); and
- Allan Gray's relevant interest will be at least 19.55% and may increase to 19.90%, if it is required under its sub-underwriting commitment to subscribe for any remaining New Shares under the Retail Entitlement Offer.

INM did not take up any of its Entitlement, and accordingly the effect of the proposed sub-underwriting by Baycliffe will reduce INM's relevant interest to approximately 18.61% and increase Baycliffe's direct holding in APN shares to approximately 12.23% on completion of the Entitlement Offer. This will disperse the current influence of INM on Shares in APN.

6.7 INTERESTS OF DIRECTORS

The interests of the directors of APN and their Related Parties in the securities of APN at the date of this Retail Offer Booklet are as follows:

Director	Number of Shares held in APN	Number of options held in APN
Peter Cosgrove	153,425	-
Ted Harris	724,792	-
Vincent Crowley	760,404	-
Paul Connolly	-	-
Peter Cullinane	-	-
Anne Templeman-Jones	-	-

6.8 NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in New Shares (or Additional New Shares). You cannot withdraw your application once it has been accepted.

6.9 ROUNDING OF ENTITLEMENTS

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares and the nearest whole number of Additional New Shares where applicable.

6.10 NO ENTITLEMENT TRADING

Entitlements are non-renounceable and cannot be traded on ASX, NZX or any other exchange, nor can they be privately transferred.

6.11 NOTICE TO NOMINEES AND CUSTODIANS

If APN believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that:

- the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of, Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and institutional shareholders of APN who were treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer;
- they may not send any material relating to the Offer to, nor take up any Entitlements or otherwise purchase New Shares or Additional New Shares on behalf of, any person in the United States or other jurisdiction outside Australia or New Zealand except to beneficial shareholders who are institutional or professional investors in the countries (excluding the United States) listed in, and to the extent permitted under, the "International offer restrictions" section of the APN Investor Presentation that is included in Section 3 of this Retail Offer Booklet; and
- failure to comply with these restrictions could result in violations of applicable securities laws.

Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under the "International selling restrictions" section of the APN Investor Presentation included in Section 3 of this Retail Offer Booklet; and (ii) to beneficial shareholders in other countries (other than the United States) where APN may determine it is lawful and practical to make the Retail Entitlement Offer.

6. Important Information continued

APN is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Any person acting as a nominee or custodian for a foreign person must, in dealing with its beneficiary, consider the "International offer restrictions" section of the APN Investor Presentation included in Section 3 of this Retail Offer Booklet and assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws.

6.12 NOT INVESTMENT ADVICE

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. APN is not licensed to provide financial product advice in respect of the New Shares (and Additional New Shares if applicable). This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares if applicable), nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with APN's other periodic statements and continuous disclosure announcements lodged with ASX and NZX, which are available at www.apn.com.au.

Before deciding whether to apply for New Shares (and Additional New Shares if applicable), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the APN Offer Information Line on 1300 365 969 (within Australia), 0800 767 556 (within New Zealand) or +61 1300 365 969 (outside of Australia and New Zealand) from 7.30am to 5.30pm (Sydney time) Monday to Friday, until 3 April 2014.

6.13 QUOTATION AND TRADING

APN has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, APN will not allot any New Shares and will repay all Application Monies (without interest). Once issued, the New Shares will also be quoted on the NZX Main Board.²

Subject to approval being granted, it is expected that New Shares (and Additional New Shares if applicable) allotted under the Retail Entitlement Offer will commence normal settlement trading on 24 March 2014.

6.14 INFORMATION AVAILABILITY

If you are in Australia, New Zealand or Ireland, you can obtain a copy of this Retail Offer Booklet by calling the APN Offer Information Line on 1300 365 969 (within Australia), 0800 767 556 (within New Zealand) or +61 1300 365 969 (outside of Australia and New Zealand) from 7.30am to 5.30pm (Sydney time) Monday to Friday, until 3 April 2014.

A replacement Entitlement and Acceptance Form can also be requested by calling the APN Offer Information Line.

If you access the electronic version of this Retail Offer Booklet, you should ensure that you download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the APN Entitlement Offer website will not include an Entitlement and Acceptance Form.

6.15 FOREIGN JURISDICTIONS

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares or Additional New Shares, or otherwise permit the public offering of the New Shares or Additional New Shares, in any jurisdiction other than Australia and New Zealand.

² NZX accepts no responsibility for any statement in this Retail Offer Booklet. The NZX Main Board is a registered market, regulated by NZX which is a registered exchange under the Securities Markets Act 1988 (New Zealand).

The distribution of this Information (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Information, you should observe such restrictions. See the international offering restrictions set out in the “International offering restrictions” section of the APN Investor Presentation included in Section 3 of this Retail Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares (and Additional New Shares if applicable) are not being offered or sold to the public within New Zealand other than to existing shareholders of APN with registered addresses in New Zealand to whom the offer of New Shares (and Additional New Shares if applicable) is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Retail Offer Booklet has not been registered with, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Retail Offer Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain. NZX accepts no responsibility for any statement in this Retail Offer Booklet.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the “Prospectus Regulations”). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) “qualified investors” as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 150 natural or legal persons who are not qualified investors.

United States

The New Shares (and Additional New Shares if applicable) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the New Shares (and Additional New Shares if applicable) may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The New Shares (and Additional New Shares if applicable) will not be offered to any person in the United States or any person acting for the account or benefit of a person in the United States. Because of these legal restrictions, you may not distribute, release or send copies of this Retail Offer Booklet or any other material relating to the Retail Entitlement Offer to any person in the United States.

6.16 ASX WAIVERS

In order to conduct the Entitlement Offer, ASX has granted APN waivers from ASX Listing Rules 3.20.2, 7.1, 7.40 and 10.11 subject to a number of customary conditions.

The waivers also allow APN to ignore, for the purposes of determining Entitlements, transactions occurring after the announcement of the trading halt in Shares (other than registrations of ASX Trade transactions which were effected before the announcement) (**post ex-date transactions**). Such transactions are to be ignored in determining holders and registered holders, and holdings and registered holdings, of existing Shares as at the Record Date, and references to such holders, registered holders, holdings and registered holdings are to be read accordingly. Therefore, if you have acquired Shares in a post ex-date transaction, you will not receive an Entitlement in respect of those Shares.

6.17 GOVERNING LAW

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each Applicant for New Shares (and Additional New Shares if applicable) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6. Important Information continued

6.18 DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by APN, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, neither APN nor any other person warrants or guarantees the future performance of APN or any return on any investment made pursuant to this Information or its content.

6.19 WITHDRAWAL OF THE ENTITLEMENT OFFER

APN reserves the right to withdraw or vary all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case APN will refund Application Monies in relation to New Shares or Additional New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, APN may only be able to withdraw the Entitlement Offer with respect to New Shares (and Additional new Shares if applicable) to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to APN will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to APN.

6.20 PRIVACY

As a shareholder, APN and the Share Registry have already collected certain personal information from you. If you apply for New Shares or Additional New Shares, APN and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of your Entitlement of New Shares (and your application for Additional New Shares if applicable), service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, APN and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for your Entitlement of New Shares (and Additional New Shares if applicable); the Share Registry for ongoing administration of the register; printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail; or as otherwise permitted under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) APN or the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to APN through the Share Registry as follows:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Ph: +612 8280 7111

6.21 DIVIDEND POLICY

The payment of dividends by APN is announced at the time of release of APN's half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of the APN business and its financial position at the time. Circumstances may arise where APN is required to reduce or cease paying dividends for a period of time. APN has not declared a final dividend in respect of the full year ended 31 December 2013 and may not pay dividends in respect of the full year ending 31 December 2014. Whether or not the Board determines to pay dividends beyond this period will depend on, among other things, the profitability and cash flow of APN's business and its financial position in line with prevailing market conditions.

7. Glossary

TERM	DEFINITION
AS	Australian dollars
Acquisition	The acquisition by APN of the remaining interest in ARN and TRN from Clear Channel
Additional New Shares	New Shares which Eligible Retail Shareholders may apply for in addition to their Entitlement, equivalent to up to 100% of their Entitlement
Allan Gray	Allan Gray Australia Pty Ltd (ABN 48 112 316 168)
APN	APN News & Media Limited (ABN 95 008 637 643)
Applicant	The relevant Eligible Retail Shareholder who accepts their Entitlement of New Shares
Application Monies	Offer Price multiplied by the number of New Shares (and Additional New Shares if applicable) subscribed for
ARN	Australian Radio Network Pty Limited
ASIC	Australian Securities and Investments Commission (ABN 86 768 265 615)
ASX	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX
Baycliffe	Baycliffe Limited, a company controlled by Denis O'Brien
CGT	Capital Gains Tax
Clear Channel	Clear Channel Communications Inc. (a Texas company)
Closing Date	5.00pm (Sydney time) on Friday, 14 March 2014
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CRN	Customer Reference Number
Eligible Institutional Shareholder	An institutional shareholder of APN to whom the Lead Manager made an offer on behalf of APN under the Institutional Entitlement Offer (either directly or indirectly through a nominee), and who the Lead Manager determines successfully received that offer
Eligible Retail Shareholders	As defined in Section 2.2
Entitlement	The right to subscribe for New Shares under the Entitlement Offer
Entitlement and Acceptance Form	Personalised application form for New Shares (and Additional New Shares if applicable) that is provided to Eligible Retail Shareholders
Entitlement Offer	Offer of New Shares under the Institutional Entitlement Offer and the Retail Entitlement Offer
GST	Goods and Services Tax
Ineligible Institutional Shareholders	Any institutional shareholder of APN who is not an Eligible Institutional Shareholder and who is not otherwise eligible to participate in the Retail Entitlement Offer

7. Glossary

continued

TERM	DEFINITION
Ineligible Retail Shareholder	Any retail shareholder of APN who is not an Eligible Retail Shareholder
Information	This Retail Offer Booklet and personalised Entitlement and Acceptance Form
INM	Independent News & Media PLC
Institutional Entitlement Offer	The offer to Eligible Institutional Shareholders to acquire 5 New Shares for every 9 Shares held on the Record Date
Lead Manager	CBA Equities Limited (ABN 76 003 485 952)
New Share	A Share offered under the Entitlement Offer
NZX	NZX Limited
Offer Price	A\$0.36 for each New Share
Record Date	7.00pm on Monday, 24 February 2014
Related Party	Has the meaning given in section 228 of the Corporations Act. Related Parties of APN include the directors of APN and their respective spouses or de facto partners, their respective parents and children, and any entity controlled by any of them
Retail Entitlement Offer	The offer to Eligible Retail Shareholders to acquire 5 New Shares for every 9 Shares held on the Record Date
Retail Oversubscription Facility	The opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement, up to a maximum of 100% of their Entitlement
Share	Fully paid ordinary share of APN
Share Registry	Link Market Services Limited (ABN 54 083 214 537)
Shortfall Shares	Up to 106,411,708 New Shares which Baycliffe has agreed to subscribe for under the Sub-underwriting Agreement
Sub-underwriting Agreement	Agreement between the Underwriter and Baycliffe dated 18 February 2014
TERP	Theoretical ex-rights price
TOFA	Taxation of Financial Agreements
TRN	The Radio Network Limited (New Zealand company number 807478)
Underwriter	CBA Equities Limited (ABN 76 003 485 952)
Underwriting Agreement	Agreement between APN and the Underwriter entered into on 19 February 2014
US Securities Act	US Securities Act of 1933

Corporate Directory

APN OFFER INFORMATION LINE

Within Australia: 1300 365 969

Within New Zealand: 0800 767 556

Outside Australia and New Zealand: +61 1300 365 969

Open between 7.30am to 5.30pm (Sydney time) Monday to Friday

ISSUER**APN News & Media Limited**

ABN 95 008 637 643

Level 4

100 William Street

Sydney NSW 2011

www.apn.com.au

SHARE REGISTRY**Link Market Services Limited**

ABN 54 083 214 537

Level 12, 680 George Street

Sydney NSW 2000

www.linkmarketservices.com.au

LEAD MANAGER AND UNDERWRITER**CBA Equities Limited**

ABN 76 003 485 952

Ground Floor, Tower 1

201 Sussex Street

Sydney NSW 2000

AUSTRALIAN LEGAL COUNSEL**Baker & McKenzie**

Level 27, AMP Centre

50 Bridge Street

Sydney NSW 2000



www.apn.com.au