



# APN Full Year Results

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NEWS & MEDIA

APN NEWS & MEDIA LIMITED  
ABN 95 008 637 643

# AGENDA

- **2014 financial results**
- **Trading update**
- **APN Evolve**
- **Divisional summaries**
  - NZME.
  - Australian Regional Media (ARM)
  - Adshel
  - Hong Kong Outdoor
  - Australian Radio Network (ARN)
  - iHeartRadio
- **2014 group financials**
- **2015 strategy**
- **Questions**



# FINANCIAL RESULTS

## 2014 Group financial highlights

<b>A\$ million</b>	<b>2014</b>	<b>2013</b>
Revenue from continuing operations	843.2	817.2
EBITDA*	164.1	162.8
EBIT*	130.8	129.8
<b>Net profit after tax*</b>	<b>75.2</b>	<b>59.3</b>
Profit / (loss) from discontinued operations	(0.5)	0.3
<b>Net profit after tax before exceptional items</b>	<b>74.7</b>	<b>59.5</b>
Exceptional items	(63.2)	(56.9)
<b>Profit attributable to shareholders</b>	<b>11.5</b>	<b>2.6</b>

\* From continuing operations and before exceptional items

### 2014 achievements

- NPAT pre-exceptionals up 27% to \$75.2m
- EBITDA pre-exceptionals ahead of prior year
- ARN revenues up 18% for the year and 28% in the second half
- Debt refinanced to 2018
- Publishing cost savings of \$17m, partially offset by reinvestment in integration of New Zealand businesses
- Recurring operating cash flows of \$65m, impacted by early refinancing of debt and acquisition of NZME radio licences
- No final dividend payment for 2014

# TRADING UPDATE



## Positive start to 2015

There has been a positive start to 2015. While the first weeks of the year are generally not a long term indicator, January trading was similar to trends observed towards the end of 2014. Revenue is ahead of the prior year in New Zealand, while in Australia ARN continues to perform well. Moderation of revenue declines continues in ARM. Overall, revenue is ahead of last year on a constant currency basis. While costs are up, in line with our strategy of investing for growth, EBITDA is slightly ahead of the same point in 2014.

# APN EVOLVE

## 2014 Group highlights

### In 2014, APN continued to evolve

- Continued strategy of investing in growth assets, identifying synergies maintaining focus on cash flow generation and cost
- Integration initiatives making positive progress
- Introduced diversification of products across our businesses within areas of core competencies
- Digital revenues grew 11% to \$59m and now make up 7% of total revenue

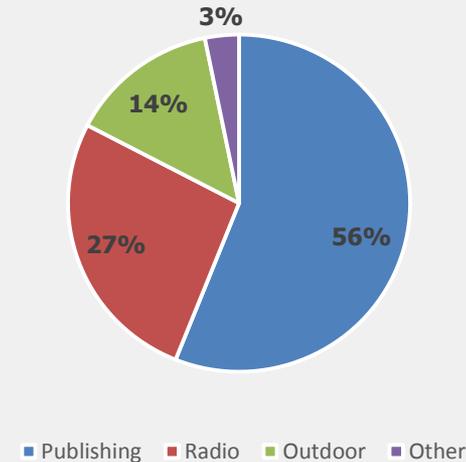
### 2014 transactions

- Divested brands Exclusive and APN Outdoor
- Acquired the 50% in ARN and The Radio Network (TRN) we did not already own
- Announced the acquisition of 96FM which gives ARN the largest audience of any metropolitan radio group in the country
- Acquired the 50% of Hong Kong businesses Cody & Buspak we did not already own

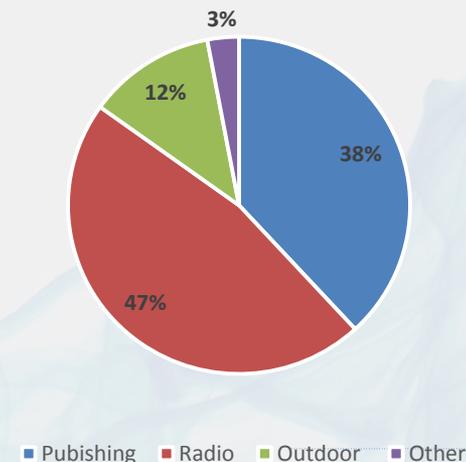
### Operating activity

- Adshel is well positioned in growing outdoor sector
- Revenue diversification underway for ARM
- Launched NZME, which brought together our three NZ businesses – APN NZ Publishing, TRN and GrabOne

### Proportionate share of APN earnings (2013)



### Proportionate share of APN earnings (2014)



# Operating divisions

## The launch of NZME in September 2014

### Actively reinvesting in New Zealand

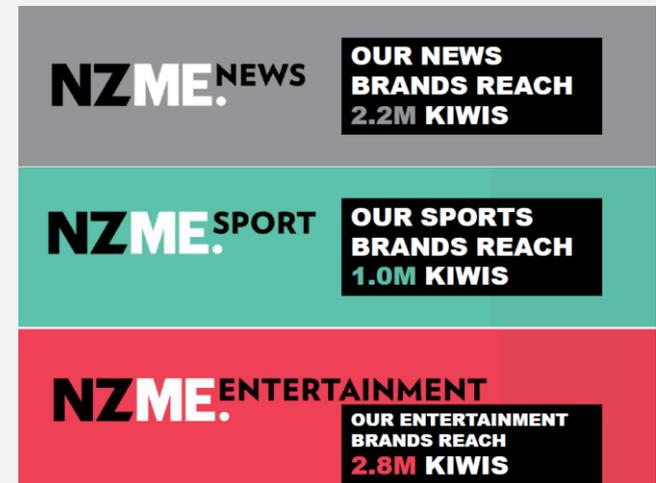
- Brought together the three APN NZ businesses of APN NZ Publishing, TRN and GrabOne under the umbrella of NZME
- NZME engages with 3.2 million New Zealanders each month
- Its leading brands account for 14% of total NZ advertising spend, reaching 90% of Aucklanders each month
- New and experienced management team with responsibility for the overall operations of the combined businesses

### Digital

- NZ #1 radio website and Auckland's #1 news site
- NZME is one of the leading aggregated digital businesses in NZ

### Expanded revenue streams

- NZME. Events and NZME. Experiential
- New digital segments delivering growth



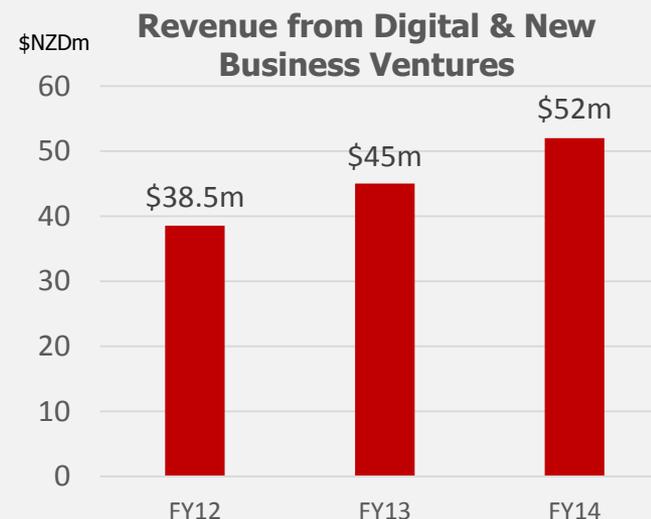
## Overall result slightly above guidance

NZ\$ million	Revenue			EBITDA		
	2014	% change	Like for like*	2014	% change	Like for like*
NZME. Publishing	298.1	(10%)	(4%)	52.1	(17%)	(15%)
NZME. Radio	127.0	5%	5%	25.1	7%	7%
NZME. eCommerce	20.7	(4%)	(4%)	4.4	(22%)	(22%)
<b>NZME. Total</b>	<b>445.8</b>	<b>(6%)</b>	<b>(2%)</b>	<b>81.6</b>	<b>(11%)</b>	<b>(10%)</b>

\* Like for like adjusts for disposal of Wellington and South Island titles in 2013 and Magazines in early 2014

### Financial

- Overall FY14 result slightly above the NZME update released to the market in November 2014
- Publishing and eCommerce slightly outperformed forecast while Radio delivered strong year on year growth, it marginally missed the target due to softer market conditions in November and December
- Total revenue from digital and new ventures grew by 14% in FY14
- Group and corporate costs of NZ\$0.9m have been allocated to the individual businesses and not disclosed separately as they were in the market update



# NZME. PUBLISHING

## Improving trends in second half

### Financial

- Revenue performance improved in H2 and moderating trends continue. On a like for like basis:
  - total revenues were down 4% for the year and 2% in H2;
  - advertising revenues were down 7% on 2013; and down 5% in H2
  - Low single digital declines in direct retail, motoring and real estate pillars
- Newspaper inserted magazines (NIMS) saw good growth in advertising revenues for The New Zealand Herald
- Agency market continues to be challenging; however an integrated sales approach is starting to deliver results
- Newspaper circulation revenues are in line with prior year, with impact of cover price increases more than offsetting the moderating declines in circulation
- Like for like cost savings of NZ\$8m were weighted towards H1, these savings were offset by investment in integration projects and new revenue streams in H2
- Underlying earnings performance in H2 indicates improved trends compared to H1

NZ\$ million	2014	2013	% change	Like for like*
Revenue	298.1	333.0	(10%)	(4%)
Costs	(246.0)	(270.4)	(9%)	(2%)
EBITDA	52.1	62.6	(17%)	(15%)

\* Like for like adjusts for the sale of the Wellington and South Island Newspapers in 2013 and magazines in February 2014

Revenue	2014	2013	% change	Like for like*
Advertising	186.9	208.6	(10%)	(7%)
Circulation	98.4	112.3	(12%)	0%
Other	12.8	12.1	6%	7%
<b>Total</b>	<b>298.1</b>	<b>333.0</b>	<b>(10%)</b>	<b>(4%)</b>

# NZME. PUBLISHING

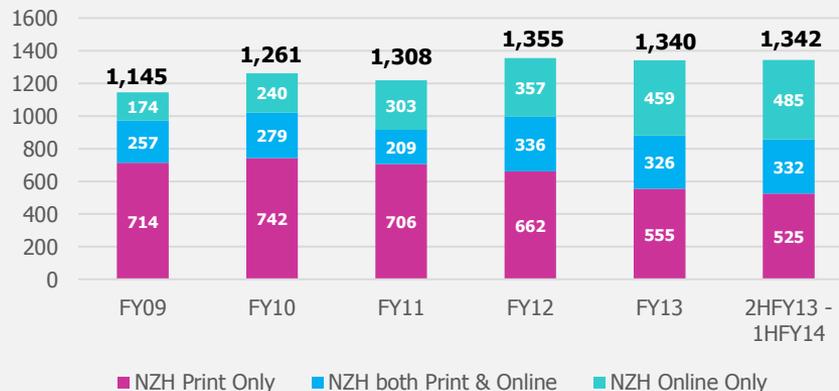
## Improved circulation and digital growth

### Operational highlights

- The New Zealand Herald is still the #1 newspaper in the country and the Herald brand audience has grown year on year
- Improved circulation trends for The New Zealand Herald, Herald on Sunday and all regionals
- Overall circulation volume declined 2%
- Nzherald.co.nz audience up 25% YoY
- Mobile up 42% YoY
- Leveraging success of New Zealand Herald NIMs into regional mastheads
- Fairfax printing agreement delivering ongoing synergies and cost efficiencies



NZH average weekly audience (000s)



# NZME. RADIO

## Investment and leadership



**#1 station in NZ**



**#2 ranked station in Auckland for 25-44 age demographic**



**Leads direct competitor for target 25-44 males breakfast and drive in AKL**



**#1 ranked music station in NZ**



**#1 dedicated sports station**



**Launched New AKL music station**



**Top 4 station 10-17 demographic**



**#2 radio station in New Zealand for 10-34 demographic**

Source: TNS New Zealand Commercial Survey 2 2014

### Operational highlights

- Home to some of New Zealand's top rating radio stations
- Successfully relaunched ZM and The Hits with new breakfast teams
- Launched music station Mix 98.2 in Auckland
- Increased video and web audiences
- In December, NZME invested \$8m in spectrum licences to secure nationwide coverage of key radio brands – including the NewstalkZB frequency in Christchurch

# NZME. RADIO

## Another year of growth

### Financial

- NZME. Radio revenues up 5% for the year with Direct revenues particularly strong, up 8%
- Challenging agency market in Q4 impacted on full year result.
- Increased costs driven by revenue growth and investment in sales, new station (Mix 98.2), talent and content
- EBITDA growth of 7%, margins improved



NZ\$ million	2014	2013	% change
Revenue	127.0	120.6	5%
Costs	(101.9)	(97.0)	5%
EBITDA	25.1	23.5	7%

Revenue	2014	2013	% change
Direct	93.2	86.2	8%
Agency	33.0	33.7	(2%)
Other	0.7	0.7	1%
<b>Total</b>	<b>127.0</b>	<b>120.6</b>	<b>5%</b>

# NZME. ECOMMERCE

## Challenging 2014 but improved outlook

### Financial

- Revenue decline reflects lower conversion rates as traffic migrates from desktop to mobile
- Platform investment addressing these trends
- Improving Q4 from revenue diversification and closer NZME alignment

<b>NZ\$ million</b>	<b>2014</b>	<b>2013</b>	<b>% change</b>
Revenue	20.7	21.6	(4%)
Costs	(16.3)	(16.0)	2%
EBITDA	4.4	5.6	(22%)

### Operational highlights

- Leading deals site in NZ
- The staged release of an upgraded operating system making deals more accessible across all platforms including mobile and tablet, driving increased conversion rates
- Launched Shop Viva, Shopgreen and True Commercial with The New Zealand Herald

**GrabOne**

BUY A BETTER WORLD  
**shopgreen**

**SHOP viva**  
**TRUE COMMERCIAL**

## FY15 merger sets platform for growth

### Revenue growth via integrated sales leveraging the power of the NZME aggregated audience

- The integrated sales approach is already delivering good results with Q1 currently tracking ahead of targets

### Continued leadership in digital content and audiences in the NZ market

- New digital group team to drive video offering
- Complete the rollout of the upgraded GrabOne operating system
- Plans to launch first stage of paid content model in 2015

### Continued investment in leading content across news, sport and entertainment

- Content collaboration across the business to grow audiences for example, 2014 election

### Merger benefits implemented in 2015 to be realised in 2016

- Plans are being developed to co-locate the three business units in Auckland and across the country
- Investment in technology to support business growth
- Continued diversification of the GrabOne platform aligned with NZME brands

### Update on strategic position

- Non-deal roadshow in November received broad and positive feedback on the integration plans and business strategy
- Following a recent review of the progress to date, we have determined that to maximise value for APN shareholders, any partial divestment of NZME will be at least 12 months away when the benefits of the integration will be evident



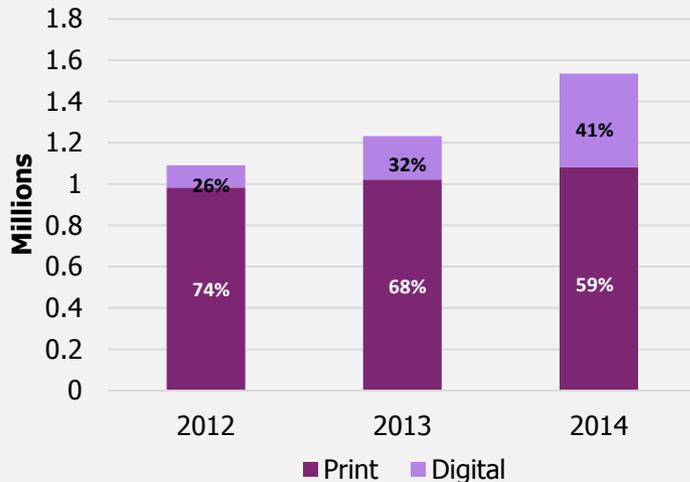
# AUSTRALIAN REGIONAL MEDIA

## Australian Regional Media reaches more people than ever before

### ARM reaches over 1.5 million people each week

- 15.8% total audience growth YoY
- ARM owns eight of the top 10 performing daily newspapers in Australia by YoY circulation change
- #1 media company in the markets we operate in

Weekly ARM audience



#1 reaching daily newspapers within key QLD cities



#1 reaching regional digital network in Queensland



#1 reaching regional Facebook network in QLD

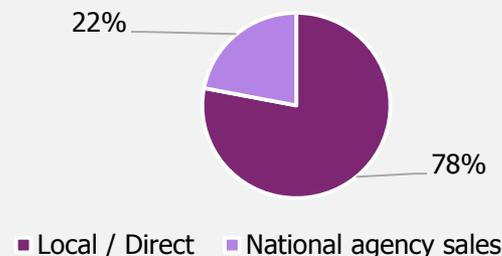
# AUSTRALIAN REGIONAL MEDIA

## Decline in revenue continues to moderate

### Financial

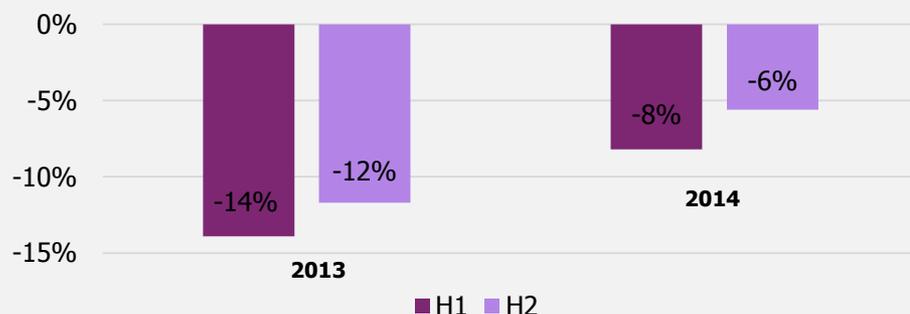
- Advertising declines continue to moderate; decline of 7% compared to 15% in 2013
  - Local advertising proving resilient, down 2% on prior year
  - Agency revenues weak, although some signs of improving conditions in Q4
  - Real Estate strong, up 6% on prior year
- Digital revenue up 39% year on year capitalising on growing digital audience
- Circulation performance consistent with recent trends; revenue impacted by no cover price rise
- 2014 cost reductions of \$10m in back end operations and administration

### Percentage of Advertising Revenue



A\$ million	2014	2013	% change
Revenue	202.1	217.0	(7%)
Costs	(177.1)	(187.3)	(5%)
EBITDA	25.0	29.7	(16%)

### ARM revenue declines



Revenue	2014	2013	% change
Advertising	146.9	158.7	(7%)
Circulation	32.8	34.8	(6%)
Other	22.4	23.6	(5%)
<b>Total</b>	<b>202.1</b>	<b>217.0</b>	<b>(7%)</b>

# AUSTRALIAN REGIONAL MEDIA

## Operational highlights and 2015 outlook

### Investment in advertising revenues

- Continued investment in local capabilities
- National brand repositioned to support national sales team

### Circulation performance and audience growth

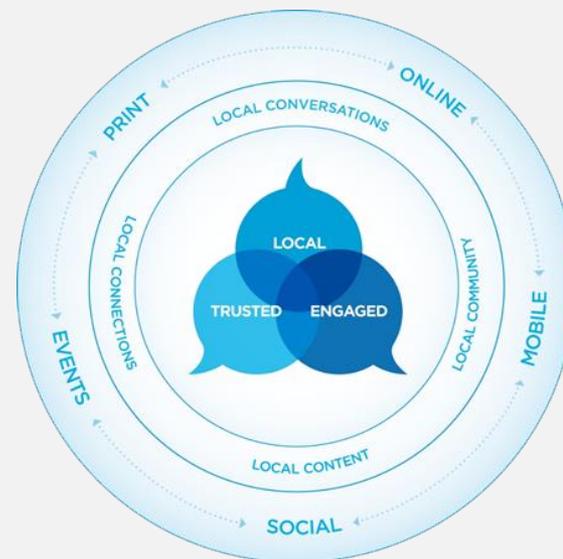
- Circulation performance is 22% better than the industry
- Weekly print readership has grown 3.4%
- Strong digital growth across platforms

### New revenue streams

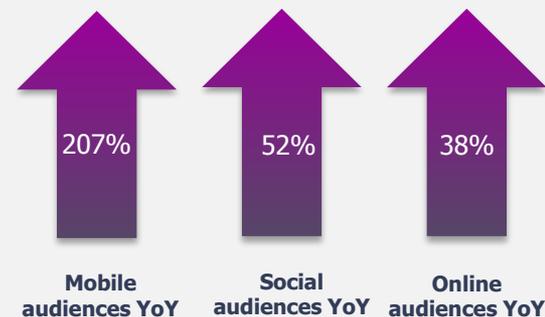
- Programmatic launched in 2014 driving incremental revenue
- Digital marketing services launched in H2, with expansion in 2015
- Events launched in H2
- Addition of specialist titles to ARM portfolio

### 2015

- Continued investment in new revenue streams
- Small, local newspaper acquisitions at attractive multiples
- Closure of Toowoomba printing facility resulting in cost savings



### Growth in digital audiences

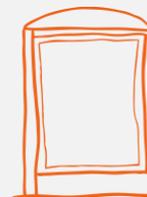


# ADSHEL

## Adshel has wide coverage in Australia and NZ

**Adshel reaches 92% of Australians every fortnight and 83% of the NZ population**

- Almost 20,000 advertising panels in Australia and NZ
- Sydney Trains network of digital panels
- 17 shopping centres across Australia including World Square and Greenwood Plaza in SYD
- 1,775 panels at 7-Eleven convenience stores
- Deployed the largest rollout of digital out of home in Australia



**Roadside**



**Retail**



**Rail**



**Petro-convenience**

# ADSHEL

## Challenging H1, improved H2

### Financial

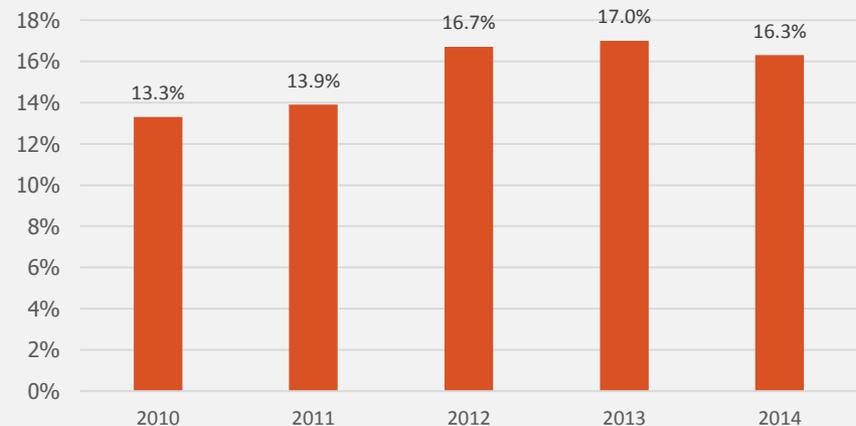
- Revenue growth for fifth consecutive year, although some loss in market share after 4 years of growth
- Improved H2 performance after challenging H1 which was impacted by rollout of Sydney Trains network
- H2 revenues up 8% on a like for like basis and H2 EBITDA up 3%
- New Zealand revenues up 8% for the year

A\$ million	2014	2013	% change	Like for like*
Revenue	147.2	149.3	(1%)	4%
Costs	(110.2)	(109.4)	1%	8%
EBITDA	37.0	39.9	(7%)	(6%)

\*Like for like adjusts for sale of Adshel Infrastructure and Town & Park at end of 2013



### Adshel market share in Australia



Source: SMI

# ADSHEL

## Focus on growth and innovation in 2015

### Operational activity

- New chief revenue officer and chief commercial officer appointed
- Reshaped NSW sales team
- Sydney Trains: new advertisers including H&M, Air Asia, Expedia, Sunglass Hut, YouTube and the release of The Amazing Spiderman 2 through Columbia Pictures
- Sydney Trains enhancing customer experience – Augmented Reality, scent & sound

### 2015 – strong outdoor industry positions Adshel well for growth

- Expanded focus on digital capabilities in 2015

Expansion of Sydney Trains network by 50%

Investment in programmatic systems

Australian first beacons program



# HONG KONG OUTDOOR

## Two of Hong Kong Island's leading advertising companies

### Buspak

- Exterior and interior of all Hong Kong Island bus media
- 1,700 buses with 1,200 buzplay TV installations
- 240 with Webus network (in-bus WiFi)
- 60 Signature buses (integrated media product)



### Cody

- Portfolio of 160 billboards
- Six prime locations



# HONG KONG OUTDOOR

## Strong performance despite some challenging market conditions in Q4

### Financial

- Overall revenue up 6% driven by strong growth in Billboards and improving Buzplay revenues
- Successfully renegotiated Buzplay contract

### Buspak revenue drivers

- Seasonally strong Q4 performance impacted by Occupy Central protests - 1% growth in Busbody revenue
- Launch of additional Signature Buses
- Buzplay revenue up 28%

### CODY revenue drivers

- Creation of a new mega format and expansion of non-exclusive sites
- Billboard revenue up 9%

### 2015 - New World First Bus contract

- Current contract concludes June 2015
- Competitive tender for new contract which continues through to 2020
- Full belief in the experience and innovation we can bring to NWFB

HK\$ million	2014	2013	% change
Revenue	349.2	330.9	6%
Costs	(311.3)	(329.1)	(1%)
EBITDA	33.2	12.8	159%



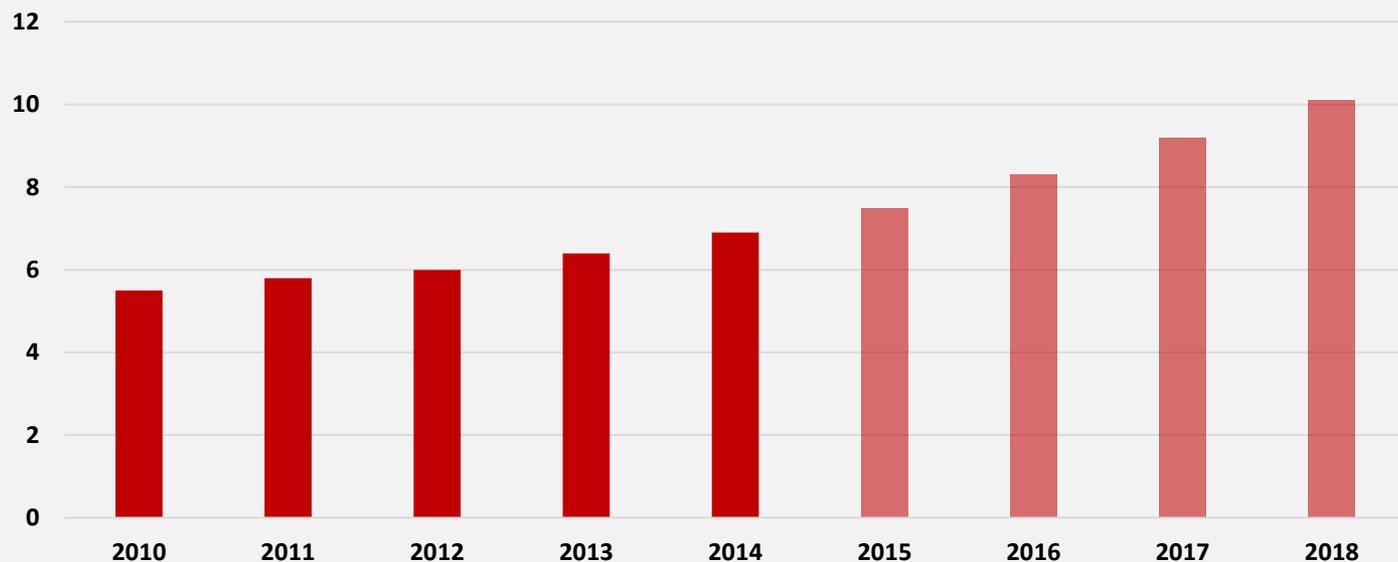
# HONG KONG OUTDOOR

## Asia Outdoor

### Expansion into Asia and new management appointments

- Collective SE Asia, China and Hong Kong market has grown 24% over the last four years
- Expected to grow nearly 50% in the next four years
- Appointed Patrick Chaundy to lead expansion into South East Asia and Sammy Choi as CFO
- There are a number of opportunities APN is exploring

Ad spend (US\$billions) **Total South East Asia, China and Hong Kong Market Growth**



Source: PWC Global Entertainment and Media Outlook 2014-18

# AUSTRALIAN RADIO NETWORK

## 2014 standout performer



#1 FM station in SYD  
#2 FM breakfast in SYD



#1 FM breakfast in SYD  
#2 FM station in SYD



#1 station in ADL



#1 FM station seven out of eight surveys in BNE



Launched KIIS in MEL  
Matt Tilley & Jane Hall for breakfast



Launched national Drive show with Hughesy & Kate on expanded KIIS



Acquisition of 96FM completes ARN's five capital city offering  
#1 radio group in Australia

# AUSTRALIAN RADIO NETWORK



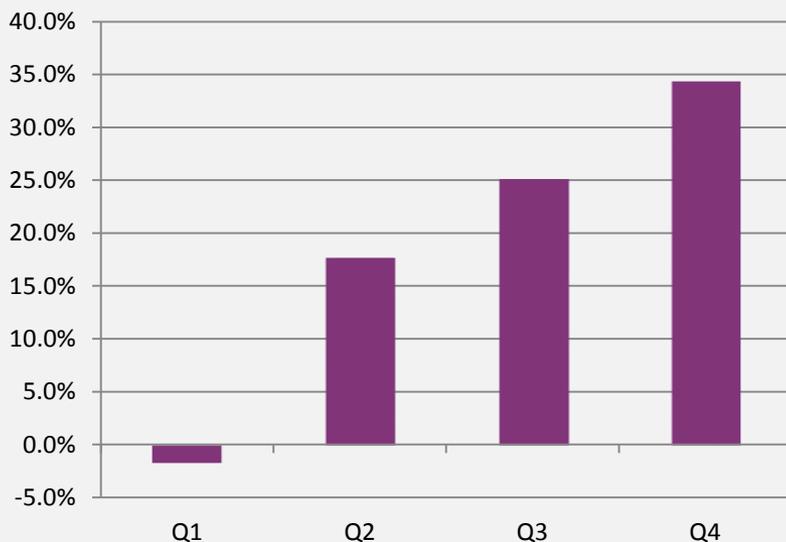
## Year on year revenue growth improved throughout the year

### Financial

- Radio market up 3% in 2014 and 5% in H2
- ARN revenues up 18% and 28% in H2
- Agency revenues particularly strong, up 32%
- Significant investment in talent, content, sales and marketing
- EBITDA margin slightly lower at 37%

A\$ million	2014	2013	% change
Revenue	180.9	153.0	18%
Costs	(114.4)	(94.5)	21%
EBITDA	66.5	56.5	14%

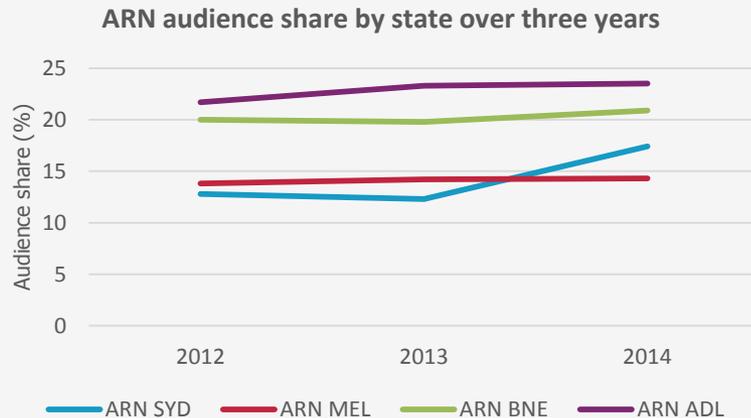
### 2014 Quarter on quarter revenue growth



Revenue	2014	2013	% change
Agency	109.6	83.2	32%
Direct	67.6	65.4	3%
Other	3.7	4.4	(14)%
<b>TOTAL</b>	<b>180.9</b>	<b>153.0</b>	<b>18%</b>

# AUSTRALIAN RADIO NETWORK

## Improved digital and sales growth



### Strong social media growth

- Collective audience of over 1.4m
- In December alone, Facebook sites recorded a reach of 6m

### Increased website visits

- Average monthly audiences increased 184% to 1.3m
- Monthly average of 13m page impressions

### Integrated sales solutions

- Delivered integrated, multi-platform campaigns incl. Dubai Tourism, Ikea and FOXTEL
- Increasing resource and focus in this area



# IHEARTRADIO

Connecting listeners with the music they love



632,052  
registered  
users  
864,473  
mobile  
downloads



## Connecting advertisers with an engaged audience

- Campaign benefits for advertisers to work with iHR

The ability  
to build rich  
data

Create your own  
custom radio  
station

Reach audiences  
anytime,  
anywhere

Engage with on-  
air talent

Deliver rich  
brand integration

Produce iconic  
events &  
exclusive content

A decorative graphic on the left side of the slide, consisting of overlapping, semi-transparent blue shapes that resemble liquid splashes or smoke, creating a dynamic and textured effect.

# Group financials

# BUSINESS PERFORMANCE

A\$ million (Δ% local currency)	Business revenue	YoY change	Business EBITDA	YoY change	Ownership	Accounting treatment	APN revenue	APN EBITDA
NZME. Publishing	274.3	(10%)	48.0	(17%)	100%	Consolidated	274.3	48.0
NZME. Radio	116.8	5%	23.1	7%	100%	Consolidated	116.8	23.1
NZME. eCommerce	19.0	(4%)	4.0	(22%)	100%	Consolidated	19.0	4.0
<b>NZME. Total</b>	<b>410.2</b>	<b>(6%)</b>	<b>75.1</b>	<b>(11%)</b>			<b>410.2</b>	<b>75.1</b>
Australian Radio Network	180.9	18%	66.5	14%	100%*	Consolidated	180.9	66.5
Australian Regional Media	202.1	(7%)	25.0	(15%)	100%	Consolidated	202.1	25.0
Adshel	147.2	(1%)	37.0	(7%)	50%	Associate	-	9.6
Hong Kong Outdoor	49.9	6%	4.7	159%	100%	Consolidated	49.9	4.7
							<b>843.2</b>	<b>180.9</b>
						Corporate	-	(16.8)
						<b>APN result</b>	<b>843.2</b>	<b>164.1</b>

\* Australian Radio Network includes 50% interests in Brisbane FM Radio, Canberra Radio and Nova Perth Radio

# RECONCILIATION OF SEGMENT RESULTS TO STATUTORY RESULTS

A\$ million	Segment result		Exceptional items		Statutory result	
	2014	2013	2014	2013	2014	2013
Revenue before finance income	843.2	817.2	-	-	843.2	817.2
Other income	6.7	6.6	7.9	9.0	14.6	15.6
Share of associate profits	11.3	10.6	-	-	11.3	10.6
Costs	(697.1)	(671.6)	(75.2)	(25.2)	(772.2)	(696.7)
<b>EBITDA</b>	<b>164.1</b>	<b>162.8</b>	<b>(67.2)</b>	<b>(16.1)</b>	<b>96.9</b>	<b>146.7</b>
Depreciation and amortisation	(33.3)	(33.0)	-	-	(33.3)	(33.0)
<b>EBIT</b>	<b>130.8</b>	<b>129.8</b>	<b>(67.2)</b>	<b>(16.1)</b>	<b>63.5</b>	<b>113.7</b>
Net interest	(36.1)	(37.9)	(4.3)	-	(40.4)	(37.9)
Tax	(11.7)	(6.0)	5.3	6.7	(6.4)	0.8
<b>Profit from continuing operations</b>	<b>82.9</b>	<b>85.9</b>	<b>(66.2)</b>	<b>(9.4)</b>	<b>16.7</b>	<b>76.5</b>
Profit/(loss) from discontinued operations	(0.6)	(0.7)	3.0	(48.1)	2.4	(48.8)
<b>Net profit/(loss) after tax</b>	<b>82.3</b>	<b>85.2</b>	<b>(63.2)</b>	<b>(57.6)</b>	<b>19.1</b>	<b>27.7</b>
Profit attributable to owners of the parent entity	74.7	59.5	(63.2)	(56.9)	11.5	2.6
Non-controlling interest	7.6	25.7	-	(0.6)	7.6	25.1
	<b>82.3</b>	<b>85.2</b>	<b>(63.2)</b>	<b>(57.6)</b>	<b>19.1</b>	<b>27.7</b>

# EXCEPTIONAL ITEMS

## FROM CONTINUING OPERATIONS

A\$ million	2014	2013
Profit / (loss) on disposal of properties and businesses	11.9	(0.7)
Redundancies and associated costs	(8.9)	(10.7)
Asset write downs and business closures	(8.4)	(12.5)
Impairment of intangible assets	(49.7)	-
Costs relating to one off projects*	(13.4)	-
Foreign exchange gains	2.2	-
Adjustment to provisions for earn out payments and put option liabilities	-	4.7
Reversal of impairment of investment in associate	-	3.0
	<b>(71.5)</b>	<b>(16.1)</b>
Income tax credit	11.3	6.7
Write off of Australian tax losses	(6.0)	-
<b>Exceptional items, net of tax</b>	<b>(66.2)</b>	<b>(9.4)</b>

\* Costs relating to one off projects includes costs of refinancing and NZME related costs

# CASH FLOW

<b>A\$ million</b>	<b>2014</b>	<b>2013</b>
Operating cash flow (before exceptional items)	139.7	155.3
Net payments related to exceptional items	(12.4)	(15.3)
Net interest paid	(36.6)	(32.5)
Net tax paid	(12.1)	(19.2)
Capital expenditure	(20.4)	(16.7)
Cash received from associates	9.5	13.5
Payments to non-controlling interests	(5.0)	(31.3)
Other	2.0	(0.1)
	<b>64.8</b>	<b>53.8</b>
Payments relating to one off projects*	(15.4)	-
Payments for New Zealand radio licences	(7.1)	-
<b>Net cash flow before investing activities</b>	<b>42.4</b>	<b>53.8</b>
Proceeds from sale of business and properties	8.9	9.3
Net payments / receipts for investments / divestments	(193.9)	-
Net proceeds from issue of shares	128.2	-
<b>Net cash flow</b>	<b>(14.5)</b>	<b>63.1</b>

\* Payments relating to one-off projects includes refinancing and NZME related costs

# NET DEBT

A\$ million	2014	2013
Gross debt	496.8	456.8
Cash	(39.0)	(20.0)
<b>Net debt</b>	<b>457.8</b>	<b>436.9</b>

- Debt facilities refinanced; maturing in January 2018

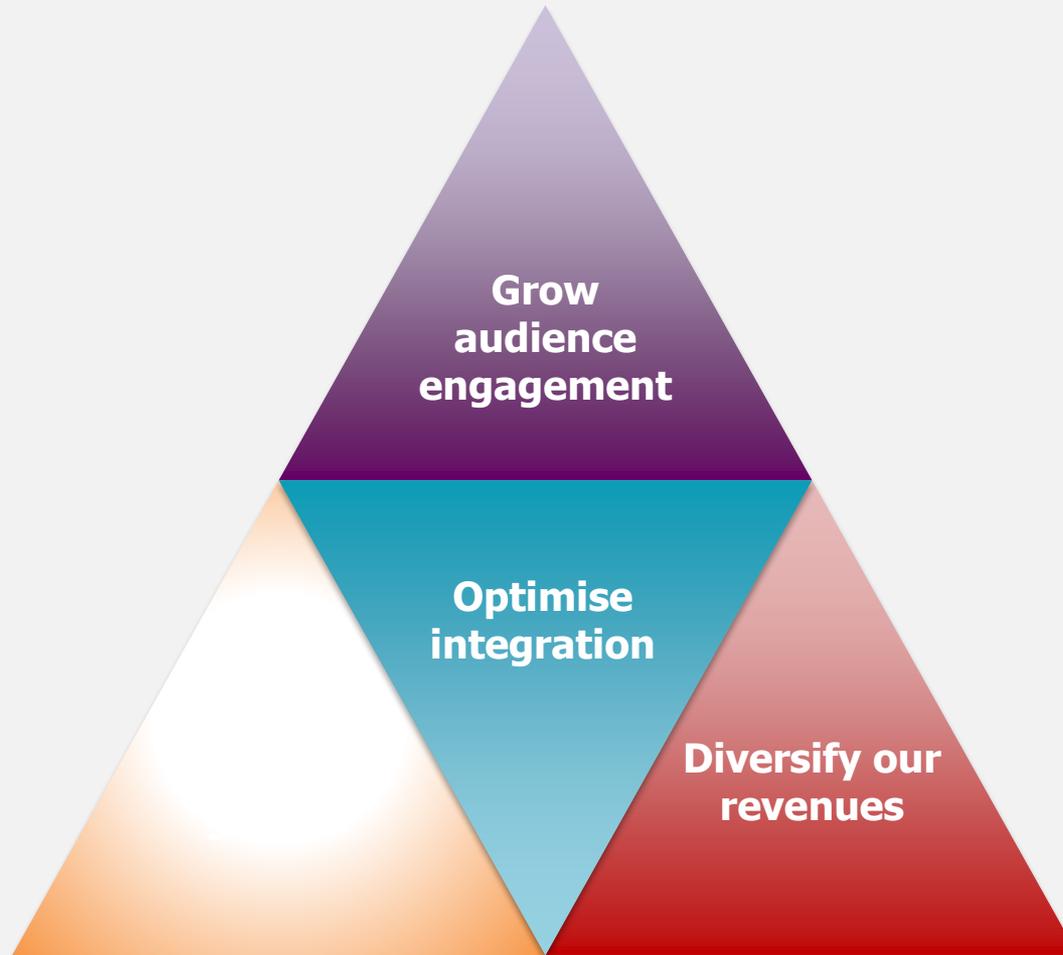
- Year end leverage (net debt / EBITDA) of 2.8 times compared to covenant of 3.75 times
- EBITDA / interest of 4.7 times compared to covenant of 3.0 times
- Acquisition of Perth 96FM increases leverage to approximately 3.1 times in early 2015
  - As noted in previous commentary, APN is willing to stretch leverage beyond 3.0 times where there is a clear path to returning to below 3.0 times within a short time frame
- Continue to explore options to optimise capital structure

Net debt by country in AUD	AU	NZ	HK	Total
Opening net debt/(cash)	260.8	184.8	(8.7)	436.9
Cash flows	7.0	8.7	(1.1)	14.5
Foreign exchange movements	-	7.4	(1.0)	6.4
<b>Closing net debt/(cash)</b>	<b>267.8</b>	<b>200.8</b>	<b>(10.8)</b>	<b>457.8</b>

# 2015 Strategy

# 2015 STRATEGY FOCUS

Focus on earnings growth within divisions



# Questions

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# Appendix

# EBITDA TO EBIT RECONCILIATION

AUD million	2014			2013		
	EBITDA	D&A	EBIT	EBITDA	D&A	EBIT
NZME. Publishing	48.0	11.2	36.8	53.0	10.8	42.2
NZME. Radio	23.1	6.4	16.8	20.0	5.4	14.6
NZME. eCommerce	4.0	1.3	2.7	4.7	0.8	4.0
<b>NZME. Total</b>	<b>75.1</b>	<b>18.9</b>	<b>56.2</b>	<b>77.7</b>	<b>18.9</b>	<b>60.8</b>
Australian Radio Network	66.5	4.2	62.3	58.5	3.8	54.6
Australian Regional Media	25.0	9.7	15.3	29.7	10.8	18.9
Outdoor	14.3	0.2	14.0	12.3	0.7	11.6
Corporate	(16.8)	0.4	(17.1)	(15.4)	0.7	(16.1)
<b>Total</b>	<b>164.1</b>	<b>33.3</b>	<b>130.8</b>	<b>162.8</b>	<b>33.0</b>	<b>129.8</b>

# H1 PERFORMANCE

AUD million	Revenue			EBITDA		
	2014	Local currency	As reported	2014	Local currency	As reported
NZME. Publishing	135.6	(13%)	(1%)	22.7	(13%)	(1%)
NZME. Radio	56.9	6%	20%	10.1	2%	16%
NZME. eCommerce	9.0	(3%)	10%	1.8	(13%)	0%
<b>NZME. Total</b>	<b>201.5</b>	<b>(8%)</b>	<b>5%</b>	<b>34.6</b>	<b>(9%)</b>	<b>3%</b>
Australian Radio Network	81.2	8%	8%	29.0	6%	6%
Australian Regional Media	99.0	(8%)	(8%)	10.5	(17%)	(17%)
Outdoor	24.1	12%	24%	4.6	0%	1%
Corporate	-	-	-	8.0	0%	0%
<b>Total</b>	<b>405.9</b>	<b>(4%)</b>	<b>3%</b>	<b>70.7</b>	<b>(6%)</b>	<b>7%</b>

# H2 PERFORMANCE

AUD million	Revenue			EBITDA		
	2014	Local currency	As reported	2014	Local currency	As reported
NZME. Publishing	138.7	(8%)	(5%)	25.3	(19%)	(16%)
NZME. Radio	59.9	5%	9%	13.0	11%	16%
NZME. eCommerce	10.0	(5%)	(1%)	2.2	(29%)	25%
<b>NZME. Total</b>	<b>208.6</b>	<b>(5%)</b>	<b>(1%)</b>	<b>40.4</b>	<b>(12%)</b>	<b>(8%)</b>
Australian Radio Network	99.7	28%	28%	37.5	20%	20%
Australian Regional Media	103.1	(6%)	(6%)	14.6	(14%)	(14%)
Outdoor	25.8	0%	5%	9.6	25%	24%
Corporate	-	-	-	(8.7)	20%	19%
<b>Total</b>	<b>437.3</b>	<b>1%</b>	<b>3%</b>	<b>93.4</b>	<b>(1%)</b>	<b>1%</b>

# CURRENCY

	AUD / NZD		AUD / HKD	
	2014	2013	2014	2013
June half average	1.078	1.225	7.097	7.874
Full year average	1.087	1.179	6.998	7.504
Period end rate	1.048	1.084	6.334	6.916