

## APN ANNUAL REPORT 2009



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## APN NEWS & MEDIA 2010 FINANCIAL CALENDAR

2009 Annual Result announced	23 February 2010
Record date for final dividend	9 March 2010
Final dividend payable	30 March 2010
Annual General Meeting	30 April 2010
2010 Half-year result announced	18 August 2010*
Interim dividend payable28	September 2010*

<sup>\*</sup>The above dates are indicative only and are subject to change

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# DELIVERING A WORLD-CLASS PORTFOLIO OF MULTIMEDIA BRANDS TO NATIONAL AND LOCAL COMMUNITIES

APN News & Media continues to operate an enviable inventory of quality media assets across a range of national and local markets.

Our capacity to derive revenue from a variety of well-managed businesses across high growth markets in four countries sets us apart from most media companies, as does our aim to be the local market leader in each of our operations.

In a year when all sectors felt the effects of the financial crisis, APN's strong cost management performance across the group allowed us to soften the full impact of the economic slowdown and produce the best possible result for shareholders under exceptional circumstances which effected every one of our markets.

APN's unique ability to capitalise on its diverse multimedia platform, combined with the recent improvement in trading conditions, means the Company's publishing, radio, online and outdoor assets are ideally positioned to take advantage of the expected market recovery.

# TEN YEAR FINANCIAL HISTORY

	2009	2008	2007	2006	2005 <sup>1</sup>	2004	2003	2002	2001	2000
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
	A-IFRS	A-IFRS	A-IFRS	A-IFRS	A-IFRS	A-IFRS	A-GAAP	A-GAAP	A-GAAP	A-GAAP
INCOME STATEMENT										
Revenue <sup>2</sup>	1,052	1,258	1,346	1,340	1,364	1,274	1,167	1,072	599	615
EBITDA <sup>3</sup>	230	321	352	341	349	322	292	256	136	148
EBIT <sup>4</sup>	189	283	324	307	309	283	238	202	116	127
Net profit⁵	94	143	169	157	150	130	104	90	48	51
BALANCE SHEET										
Equity excluding minority interest	933	816	1,032	930	1,005	1,010	1,286	1,205	957	388
Total assets	2,201	2,323	2,581	2,458	2,541	2,584	2,748	2,754	2,485	1,063
Total bank borrowings	787	968	941	749	673	646	735	807	776	282
STATISTICAL ANALYSIS										
EBITDA/total revenue	21.9%	25.4%	26.2%	26.0%	25.6%	25.3%	25.0%	23.9%	22.7%	24.1%
Bank borrowings/EBITDA	3.4	3.0	2.7	2.2	1.9	2.0	2.5	3.2	5.7	1.9
Earnings per share – basic (cents) <sup>6</sup>	17.0	28.3	33.8	32.8	30.1	26.6	22.1	19.1	17.4	19.0
– diluted (cents) <sup>6</sup>	17.0	28.3	32.9	29.8	27.2	23.4	22.0	19.0	16.7	18.3
Dividend per share (cents)	4.0	22.5	31.5	29.7 7	24.2	22.0	18.3	16.0	14.6	14.2
Dividend payout ratio <sup>8</sup>	25%	79%	92%	92% <sup>7</sup>	77%	81%	82%	78%	111% <sup>9</sup>	73%
Interest cover based on EBITDA (times)	4.87	4.35	5.56	5.41	5.37	5.15	4.37	3.85	9.29	9.86
No. of shares on issue ('000)	595,312	490,413	489,124	460,287	477,705	482,491	472,821	438,406	429,963	252,011
No. of shareholders	11,138	11,593	12,734	14,733	15,582	16,500	15,249	13,839	12,934	10,296
Market capitalisation (\$'m)	1,381	1,216	2,578	2,785	2,293	2,485	1,891	1,337	1,479	1,119
Market price per share at 31 Dec	\$2.32	\$2.48	\$5.27	\$6.05	\$4.80	\$5.15	\$4.00	\$3.05	\$3.44	\$4.44

- <sup>1.</sup> Adjusted for restatement to Outdoor site costs
- <sup>2.</sup> Including other income and finance income and excluding discontinued operations
- 3. Profit from continuing operations before exceptional items, interest, tax, depreciation and amortisation
- $^{\rm 4.}\,$  Profit from continuing operations before exceptional items, interest and tax
- <sup>5.</sup> NPAT from continuing operations before exceptional items
- <sup>6.</sup> Earnings per share are before exceptional items and discontinued operations and have been restated for prior years for the bonus element of the pro-rata entitlement offer in 2001 and
- 7. Includes 2006 final dividend paid 18 June 2007
- 8. Before exceptional items
- 9. Final dividend paid on additional capital raised to fund acquisition of the Wilson & Horton Group

# CHAIRMAN'S REVIEW



"Annus horribilus" is probably becoming an overused moniker for 2009, however it is difficult to think of another phrase that so aptly describes the dramatic effect of market turbulence – both global and local – in the past year on our business.

In my second report to you as Chairman of APN News & Media, the one comfort that I can share with you is that being a part of an Australasian company compares favourably to anywhere else in the world – and particularly in media. Yes, we certainly faced great challenges and much weaker revenues in 2009, but in a relative and underlying sense, the Australian economy fared well and New Zealand – though facing a more difficult economic environment than Australia - began to see an improving trend towards the end of the year.

That said, full-year revenue declines were common to all of our businesses and, indeed, to all media businesses in Australasia and worldwide, and yet, despite this, the Company's final financial results for 2009 were in line with guidance provided to investors. Progress was recorded, despite a challenging revenue backdrop: meaningful cost reductions across all of the business units and progress in implementing a new and innovative multimedia sales strategy are among the achievements of note for the year.

Yet it must be observed that this was still an unbelievably tough year for your Company; the first half saw revenues fall 17% and profitability halve from the 2008 year. Across the group, 2009 Net Profit After Tax before exceptional items and discontinued businesses was \$94.2 million, while revenue reached \$1.03 billion. As mentioned, those figures were in line with guidance and, given the myriad of economic factors affecting so many of our customers and clients, we believe this to be a very creditable performance. Of particular significance was a reduction of \$78 million, or 8%, in costs over the past 12 months that helped the company to mitigate the full effects of the economic slowdown.

Early in 2009, as uncertainty in global financial and credit markets continued, your Board determined that it should be prepared and ready to raise additional capital to ensure that - no matter what conditions evolved - APN always had sufficient capital to ensure adequate financial and operational flexibility. Accordingly in May, the Company successfully raised \$100 million, and I thank you shareholders for your ongoing support and commitment.

The above capital addition - allied to the generally tougher trading conditions APN experienced during 2009 - meant the Board decided not to pay an interim dividend. While the second half of the year saw an improving revenue and profit trend, it was a decidedly slow upturn. Happily, the 2010 year has started off better and as a result, your Board was able to resume the payment of a modest dividend payable at the end of March with a fully franked final dividend of 4 cents per share for shareholders. In the near term, we remain committed to improving our key credit metrics and, thus, expect to maintain a conservative dividend payout ratio. As ever, future dividend payments will take account of the prevailing climate of capital markets, advertising conditions and our broader capital requirements.

In a year when the global slowdown unwittingly forced a reassessment of so many business models, it is pleasing to report that APN continues to focus on its core strength – that of being the leading, multimedia operator in each of its local markets. And now, as we experience the early stages of recovery in each of our markets, it is these unique, market-leading positions that will, over time, restore profitability back to previous levels and move the company on to even greater heights of shareholder returns.

Adding to this confidence is APN's ability to offer its clients multimedia sales packages courtesy of our world-class Publishing, Radio and Outdoor assets, which in turn are integrated with and supported by a first-class Online offering, that is now a crucial component of each of our business divisions. Ongoing training is occurring to further improve our sales effectiveness as we broaden our product offerings via our cross-platform model.

At the time of issuing the full-year results on 23 February, your Directors noted the improvement in recent trading, and forecasted that 2010 would be a better year, noting that APN remains a leading, diversified media company, operating in some of the most attractive markets in one of the world's bestperforming economic areas. As such, your Directors believe that - especially when combined with its lower fixed-cost base and consistently high operating leverage - APN is very well placed to take advantage of the recovery in our markets.

There are clear grounds for confidence with Australian commodity markets regaining strength on the back of improved orders from a resource-hungry China, which in turn should feed advertising growth in a Queensland economy that is so pivotal to APN's continuing success. Although the New Zealand economy has been less robust over the past year, APN New Zealand's trading results did improve in the fourth quarter of 2009, and early growth in advertising revenue, notably from retail and national clients, points to a stronger year in 2010.

So, in conclusion, it does appear that our markets are finally beginning to move on in a positive sense from the extraordinary events of 2009. I believe that this trend, allied to an innovative revenue focus and an ever vigilant cost management culture, will permit APN to produce improved results for you, the shareholders, and I look forward to updating you all at the forthcoming Annual General Meeting with the progress of the recovery in our revenue

On behalf of the Board, I would like to extend my thanks to my fellow Directors, to our Chief Executive, Brendan Hopkins, and to all of our managers and staff colleagues, who have - again exhibited great effort, flair and determination in what was a most challenging 2009.

Finally, to you, our shareholders, I wish to thank you for your continued support.

Gavin K O'Reilly

Chairman 26 March 2010

# CHIEF EXECUTIVE'S REVIEW

The year 2009 is one most of us would like to forget. A year the likes of which APN has never experienced before, with underlying revenue declines of 12% across APN News & Media's diverse businesses.

However, it is essential that we learn from our experiences over the past 12 months and keep our business models sharply in focus as markets move into a recovery phase. Revenue growth is already being seen in most of our markets, albeit at modest levels at present.

The results for the year under review show that APN's net profit before interest, tax, depreciation and amortisation (EBITDA) was \$230 million. Although in line with market expectations, it was a very disappointing result when compared with the \$321 million achieved in 2008.

APN's spread of market-leading products across a range of diverse geographic markets would normally have insulated our Company from the worst impact of the global slowdown, however, for the first time since listing on the Australian Stock Exchange in 1992, all of our markets were affected.

At the end of 2008 we had started to see our local economies slowing, a slowdown that was accentuated during the first half of 2009. Double-digit percentage declines in advertising revenues were experienced in Australia and New Zealand. Your management team responded quickly, and cost-saving measures were implemented to ensure we achieved the best possible result given the extraordinary circumstances in which we found ourselves. These savings were in addition to the annualised additional cost benefits of the restructuring programme that we completed at the end of 2008.

Total costs for the year were down 8%, a critical achievement in a year when revenue declines were so difficult to manage and predict. Thankfully, the fourth quarter saw a return to more normal patterns of trading.

Let us examine our divisions in more detail. In Australia, Regional Publishing saw revenues fall 11% during the period, but this improved to 8% below in the second half and 2% in the fourth quarter. We strengthened the division's management team during the year and signed a new long-term newsprint supply deal capping future increases. The press and pre-press system

upgrades from the prior year enabled APN to improve its product quality and attract a number of new print contracts during the year.

Other initiatives highlight APN's innovative approach to strengthen our growing online presence. Our aim is to become the leading multimedia player in each of our local markets. We continue to develop cross-platform sales opportunities through integrated sales teams. A new customer revenue management (CRM) system was introduced during the year to enable us to better manage this integration.

Each of our Publishing titles now has a fast growing and content rich online presence and we are increasingly leveraging customer revenue growth opportunities through in-paper and online offerings. This includes the recent announcement of an alliance with Fairfax Media enabling us to offer our clients the ability to access national online audiences for property, cars and jobs when to date we have only been able to offer regional coverage.

Finda.com.au, our local community portal being rolled out across our Australian regional centres, is currently on offer in Toowoomba and the Sunshine Coast and continued to gain support during the year and increasingly offers a hyper-local user experience featuring rich, community sourced content. We will continue to extend Finda's reach and coverage in the coming year.

Outdoor and Radio in Australia experienced revenue falls. However, metropolitan radio, in which APN holds the number two position through its Mix and Classic Hits formats, fared the best of all the media markets, declining only 2.4% against the 2008 year. Outdoor, on the other hand, fell 12%, to be one of the hardest-hit markets. The result is not surprising considering the absence of financial, travel and motoring advertisers for much of the year.

Notwithstanding such results, important steps have been taken over the past year that we believe will benefit the Outdoor and Radio divisions. The MOVE system – Measurement of Outdoor Visibility and Exposure – which measures the audience of each of the industry's individual advertising panels, was introduced in February 2010 and will transform measurement, accountability and advertiser confidence in the sector. APN is confident this initiative will help this advertising sector get back to the strong market conditions we experienced in 2008. In Radio, we

strengthened our management team at the end of the year with the appointment of a new CEO. Outdoor and Radio are expected to end the first quarter positively against the same period in 2009.

In New Zealand, APN is the country's largest media company. Our Publishing business experienced weak market conditions, with revenues on a local currency basis falling 15% for the year as a whole. In the second half, New Zealand Publishing improved its national and retail advertising market share from other main media at a time when costs for the year as a whole fell 12%, a world-class performance.

The New Zealand Herald maintained its readership during the year – the critical measure for our advertisers – and the Herald on Sunday strengthened its advertising revenues and its circulation. The Sunday title, launched in October 2004, is now profitable and we expect the title to continue to grow strongly in the year ahead.

Our nzherald.co.nz website remains the number one online news site in the country and also increased its profitability during the year. Mobile content is, we believe, a major growth opportunity for your Company in the future and it is significant that subscribers accessing Herald content via their mobile phones grew to 40,000 during the year. Almost 40% of Herald online users come from overseas, another major opportunity for us to charge for online content in the future.

Sella.co.nz, our free auction model, grew quickly during the period and we now have more than 450,000 unique users of this free auction site every week. We are now expanding our 'freemium' approach to homes, cars and jobs whereby advertisers may list for free and then pay to prioritise their listing. We plan to introduce this facility throughout each of our local markets.

The Radio Network, New Zealand's largest operator, also experienced challenging market conditions along with our Outdoor and Regional Publishing businesses. Management maintained a strong focus on cost management, and solid reductions were achieved across all of the businesses during the period.

More details about the performances of each of the businesses can be found in this report.

All indications are that 2010 will be a better trading year. Forward bookings suggest an improved revenue performance and this, coupled with APN's high operating leverage and ongoing tight cost controls, gives us confidence the year will deliver a better result for shareholders.

We continue to believe that APN's leading portfolio of multimedia brands in each of our local markets places your Company in an optimal position to benefit from the revenue improvement that we are starting to experience.

A strong management team is in place, and I would like to pay tribute to all of our staff for their dedication and commitment over the past 12 months. Although 2009 was a tough year for us all, I am certain we have all learned from our experiences.

The outlook for 2010 is more positive, with forward bookings for April, in particular, comfortably ahead of the prior year. We look forward to the year ahead with optimism and expect to report improved results to you all as the year progresses.

**Brendan MA Hopkins** 

Chief Executive 26 March 2010



## **AUSTRALIA**

APN News & Media communicates with millions of Australians every day courtesy of its market-leading Publishing, Radio, Online and Outdoor properties.

Through our informative daily newspapers in Australia's principal regional cities such as Rockhampton, Toowoomba and Lismore, together with our dynamic metropolitan radio stations and eyecatching outdoor advertising sites, we deliver quality content and great access to a diverse, growing demographic within the national market.

APN has a significant presence in all major metropolitan markets and, in addition, the high-growth areas of regional Queensland and the northern New South Wales coastal belt. This unique coverage means APN has extensive, unrivalled reach into metropolitan, regional and local communities.

It is this particular strength in local markets that provides exciting multimedia opportunities for advertisers and enables us to broaden our future revenue streams. Building on successes over the past year, management is committed to increasingly introducing new cross-platform product opportunities to each of our markets.

Like many sectors, the Australian media industry experienced challenging conditions in 2009 and APN's markets were not immune. However, effective cost management and targeted sales campaigns cushioned the business from the full effects of the global financial crisis. Initial trading trends in 2010 indicate the business is beginning to return to more normal patterns that existed prior to the financial crisis.

APN AUSTRALIAN PUBLISHING operates 14 regional daily newspapers, 60 non-daily and community titles and publishes several magazines. Combined with a fast-growing and integrated online presence, these media assets provide unequalled coverage

of our target markets for readers, internet users and advertisers. Extending from the Coffs Coast in northern New South Wales to Cairns in Far North Queensland, the group's stable of daily, community and lifestyle publications has an unmatched connection with high-growth regional markets.

The portfolio reaches 1.1 million regional consumers every week, delivering penetration of 67% across APN's primary market. Our 14 dailies are read by more than 375,000 on weekdays and over 475,000 every Saturday, and are the leading daily newspapers across each of our key regional markets. Trusted brands, authoritative local content and unique connections with our advertisers and readers are our key strengths and the lifeblood of our operations.

The strength of APN's relationship with local advertisers and readers was clearly evident during 2009. In the face of the sharp downturn in the Queensland economy, driven by the global financial crisis and its effects on local industries, especially resources, our retail advertising revenues remained resilient.

Local retail revenues were down only marginally on the previous year and, indeed, strengthened during the final guarter. The impact on employment and real estate classified advertising was, however, significantly more pronounced as organisations reduced hiring activity and the property market went into retreat. The resilience in local retail advertising and circulation revenues was not enough to offset the falls in these transactional classified pillars, in what proved to be the most challenging market conditions ever encountered.





The full impact of the revenue decline was reduced by strong cost management. The centralisation of key functions over the last few years – including advertising production, call centres and editorial sub-editing – combined with tight control of headcount and all discretionary expenditure, resulted in total costs in Australian Publishing reducing by 5% on the previous year (excluding Online costs). This represents a significant achievement in such a geographically distributed business.

APN's printing operations remain a strong asset, with the state-of-the-art press centre at Yandina on the Sunshine Coast being complemented by first-class facilities at centres in Ballina, Toowoomba, Rockhampton, Bundaberg and Mackay. Our investments in press technology continue to lift the quality of publications and have attracted several new print contracts, while the successful negotiation of a long-term newsprint deal will deliver solid cost savings in the future.

A strengthened senior management publishing team is well positioned to maintain current market leadership while broadening our product offering through a multimedia strategy incorporating publishing and online initiatives in particular. To that end, significant sales training is under way to promote cross-platform selling. This will, in turn, enhance our advertising offering to the market and increase our local multimedia reach. APN's partnership with Fairfax Media to sell classified advertising through its national Domain, MyCareer and Drive websites is a prime example of such market potential.

There are signs that Australian Publishing will benefit from the economic recovery through 2010. Commodity markets are responding to improved orders from China, and local economies are showing signs of recovery as new mining ventures embark on a recruitment phase. The division has delivered modest advertising growth in the early part of 2010, as employment, real









estate and other classified revenues begin to recover from the lows of last year. Regardless of the improving outlook, strong cost management will remain a focus for management, in order to maximise the impact of the revenue improvement.

**APN ONLINE** is an integral component of our strategy to become the leader in online revenues in each of our local markets across northern New South Wales and regional Queensland. There is a significant opportunity for APN to leverage its relationships with advertisers and unparalleled local content capabilities into the online and digital environment. Consumers in regional markets are increasingly seeking local information online, and advertisers are demonstrating a growing willingness to embrace an integrated approach across printed and digital products.

Online expansion of APN brands in existing local markets is a critical part of management's plan to increase overall advertising market share. Twin channels to market – Publishing and Online – create a significant and unique opportunity in these markets. A new customer relationship management (CRM) system is aiding sales and supports a multi-product approach.



Local and national advertisers are also supporting the fast-growing Regional News Network online sites, while we are developing our local Finda community websites that deliver breadth and depth of local content and offer an opportunity to expand audiences and revenue.

APN is committed to introducing new online product opportunities through our own initiatives and via partnerships. Demonstrating this point is the alliance with Fairfax Media to become an exclusive reseller of property, car and employment classified advertising in our Australian markets. This model allows advertisers to work with trusted APN brands while also buying into world-class digital platforms to extend their advertising reach.

THE AUSTRALIAN RADIO NETWORK (ARN), owned in partnership with Clear Channel, is a major radio player in a highly competitive market. ARN broadcasts across 12 metropolitan FM and AM stations on two networks, Classic Hits and Mix, and reaches in excess of 4 million listeners across Australia each week.

The radio industry in Australia proved to be the most resilient of the major media formats in 2009, with revenues falling just 2.4% in APN's markets. Reflecting cost-management initiatives across the group, ARN costs were down 3.5%.

Overall ratings in 2009 were steady, and finished ahead at the end of the year in the commercially important Sydney market. The network is delivering strong revenue results in its target audience of listeners aged 25-54. Direct advertising remains a strength, with ARN improving its share of this market during the year. Agency share is a key focus of a restructured management team.

After an extensive international search, a new Chief Executive was appointed to ARN, bringing a high level of overseas radio experience and extensive international knowledge to the business. Management has since moved quickly to reinvigorate the Mix music format and reinforce the brand power of the Classic Hits network. New breakfast teams have been introduced for Mix in Sydney and Melbourne. The format has been repositioned to attract a slightly younger audience and we are confident the changes will draw more listeners as the year progresses.

Following the lead of European and American markets, digital radio has been launched in Australia. ARN is exploring opportunities to broaden our audience reach through Australian digital platforms. We strongly embrace this new form of transmission and believe it will expand choices for listeners and advertisers as the medium becomes more accepted in the community. The network's investment in digital radio reflects our conviction that it will become a major part of radio broadcasting in Australia.

Online initiatives linked to our radio stations are a strategic means of further promoting ARN brands through off-air channels. Delivering clear sales and programming benefits, they extend the promotional opportunities of stations and broaden the brand experience for advertisers and listeners as they take advantage of features such as video and podcasting.

Revamped online sites are being rolled out and cross-platform sales training is occurring throughout the network. There has already been satisfying client support for a number of integrated radio and online campaigns.

APN OUTDOOR has maintained its market leadership position in Australia in the face of tough trading conditions. As the major player in each of the main outdoor advertising categories – large format, posters, transit and street furniture (the latter through Adshel, a partnership with Clear Channel) – our extensive reach and industry-leading expertise combine to deliver excellent results for advertisers.

APN Outdoor has a portfolio of 2,200 large-format billboard and poster sites spanning major arterials, motorways and local communities, while more than 32,000 transit advertising panels engage consumers in metropolitan markets. We are also the leading supplier of bus format advertising in Australia's five major cities.

While the outdoor advertising market contracted appreciably in 2009, APN's strong cost management helped offset the fall in revenue and the division is now well placed to benefit from a market recovery.

APN has been instrumental in the development of a major audience measurement initiative that will have a long-term, positive impact on the outdoor format. The launch of MOVE (Measurement of Outdoor Visibility and Exposure) in February gives the medium greater accountability through accurate third-party audience measurement. In turn, this will provide advertisers with increased confidence when choosing outdoor campaigns.

MOVE will measure 60,000 panels across Australia and supply advertisers with detailed audience data upon which to plan their campaigns. APN's role in MOVE underlines its leadership role in the sector and we are confident this measurement system will attract additional advertising as existing and new clients gain confidence from the greater accountability of the format.

Looking ahead, management expects a stronger year in 2010. Outdoor bookings in the fourth guarter moved back to more normal trading patterns, and the return of traditional clients in motoring, telecommunications and finance in the first quarter of 2010 has been encouraging.



## **NEW ZEALAND**

APN News & Media brands are without peer in the New Zealand market.

As the largest media company in the country, we operate the most-read newspaper, most-read consumer magazine, the leading news website, the largest radio network and the leading outdoor advertising operation. APN products also enjoy high penetration in Auckland, New Zealand's most important economic market that is the commercial heart of the nation and home to nearly a third of the population.

Our full portfolio of publications reaches two thirds of the population, while our network of 128 radio stations informs and entertains listeners across the country. With our growing online news sites and extensive outdoor advertising presence, APN reaches an unparalleled audience.

New Zealand was not immune to the global financial crisis in 2009 and revenues were affected. Our teams responded with strong cost controls that helped protect profits and the Company is well positioned to take full advantage of the economic recovery.

The strength of cross-platform sales across APN's broad Publishing, Radio, Online and Outdoor assets in New Zealand has allowed the Company to target categories such as fast-moving consumer goods that have traditionally used the television format.

**NEW ZEALAND PUBLISHING** grew revenue market share against all its major media competitors in 2009. EBIT down 9% for the second half was a very creditable outcome in



the testing market conditions, while the focus on costs in the period under review will pay long-term dividends for the business.

A very significant result for 2009 is that publishing costs were down 12% year-on-year on a local currency basis. This is a world-class performance, especially given that extra costs were incurred from the integration of online initiatives. The result follows a good cost outcome in the previous year driven by restructuring programmes.

APN publishes The New Zealand Herald, the Herald on Sunday, seven regional daily titles, more than 45 community free publications and the prized New Zealand Magazines portfolio. The division dominates the all-important Auckland market, with 7 out of 10 Aucklanders aged 15+ reading at least one APN newspaper, magazine or visiting www. nzherald.co.nz each week. In addition, we are an online leader in each of our local markets.

Improvements in efficiency, productivity and quality continue to be achieved through the outsourcing of newspaper editorial production to a central facility in Auckland, while a centralised approach to advertising production and circulation and marketing functions is paying off.

The New Zealand Herald remains the flagship of the division. The Herald increased its daily brand audience across newspaper and online channels (measured by Nielsen Media Research) to 680,000 readers, with two out of three Aucklanders connecting with the Herald brand each week. It is the most-read daily newspaper in the country, attracting twice as many readers as any other metropolitan newspaper.

The Herald on Sunday reinforced its position as the bestread Sunday newspaper in the northern region, and underlining the power of the Herald masthead, nine out of

10 weekend newspaper readers in Auckland read either the Weekend Herald or the Herald on Sunday each week.

In all, more than 2 million New Zealanders are turning the pages of APN metropolitan, regional, Sunday and community newspapers every week. As readership is the key metric used by our advertisers, we are confident of maintaining a strong share of revenue in the nation's publishing sector.

New Zealand Publishing experienced a better fourth quarter, registering improvements in advertising revenue from retail and national clients in particular. Stronger early-year trading reinforces the view that APN's Publishing division will lead the trading recovery in 2010.

**NEW ZEALAND MAGAZINES** has a diverse stable of titles that lead their market segments. The iconic New Zealand Woman's Weekly has a readership of 785,000 and retains its position as the country's best-read weekly magazine. The New Zealand Listener has more readers than any other current affairs magazine, Simply You is the highestcirculating fashion magazine, and Crème is the best-selling youth magazine, growing readership to 162,000. Strong subscriber support underpins the success of the magazine portfolio.

A subdued economy affected advertising spending in 2009, but trading trends for the start of the new year have improved and revenue is ahead of the same period last year.

NZ REGIONAL NEWSPAPERS increased its share of regional readers to 41% during 2009. The group publishes seven regional daily newspapers, including the successful Bay of Plenty Times, Hawke's Bay Today and The Northern Advocate. Our titles are instrumental in connecting communities to their local regions and remain the principal source of local news, providing a valuable link between readers and advertisers.

The transfer of daily editorial production of the regional titles to a centralised facility in Auckland continues to deliver quality and financial benefits, and is part of an ongoing program of robust cost management. While local



economies in New Zealand have felt the effects of the financial crisis, there has been continued growth in retail advertising.

APN ONLINE is at the forefront of online news in New Zealand. The year was notable for the further development of the Herald brand, nzherald.co.nz, which attracted record traffic and advertising support in 2009 to cement its position as the most popular news website in the country. It also improved profitability.

There has been a strong take-up of the Herald's new mobile offering, with more than 40,000 unique users each week underlining our ability to develop new revenue streams in this fast-developing segment. New reader devices such as iPad and Kindle are yet to gain prominence in our markets, however APN is well placed to move as audiences embrace new technologies and applications to access our wide ranging local content and information offerings. Local and national advertisers are supporting the fast-growing Regional News Network launched in association with our daily publishing brands.

APN's free listing Sella model is also making strong gains. Listings were well up in the fourth guarter and unique browsers doubled during the year. This 'freemium' model, which is based on a free basic listing and progressive upselling is experiencing significant growth around the world. We expect free listings to become an increasingly popular segment of the online classified market and are confident APN can build a significant presence in the sector.







THE RADIO NETWORK (TRN), a longstanding, successful partnership with Clear Channel, entertains and informs more than 1.4 million listeners across the nation each week. TRN broadcasts across 128 FM and AM frequencies over eight networks in New Zealand and has a 46% audience share of the 10+ national audience.

Our network boasts the top-rating stations in Auckland, Wellington and Christchurch. Following the retirement of NewstalkZB breakfast host Paul Holmes, who became a New Zealand radio institution over two decades in the role, management moved judiciously to appoint a popular and well-credentialled replacement. The seamless transition of new host Mark Hosking into the role provides a strong indicator that the remarkable strength of the NewstalkZB brand will continue.

New Zealand's radio market underperformed in comparison with Australia in 2009, contracting 10%. However, tight financial management within TRN, with costs down 11% in local currency terms, helped offset this decline. TRN lost some market share during the period in review, but reported an improvement in direct advertising revenue, which represents 75% of the New Zealand radio market.

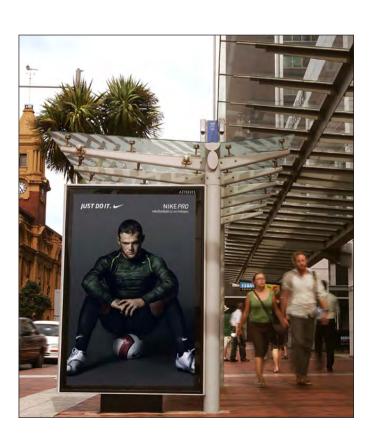
TRN is committed to ensuring maximum efficiencies from a geographically and brand-diverse business. Early trading in 2010 has provided an indication of an improving market.

APN OUTDOOR is the largest outdoor operator in New Zealand and has a commanding presence in every major metropolitan city. An unmatched network of more than 600 premium roadside billboard and poster sites ensures our clients' brands and messages reach consumers around the clock every day. The Adshel street furniture business, also owned in partnership with Clear Channel, has an expanding inventory across street, rail, shopping centre and airport locations.

APN has invested wisely to upgrade the quality of our outdoor sites in New Zealand and ensure advertisers have a premium communication platform with consumers.

The New Zealand outdoor market faced challenging trading conditions in 2009, but there are positive signs that the contraction has not continued into the new year. A comprehensive review of site rental contracts, with renegotiations where possible, has contributed to a strong cost-management performance for the period under review.

PRINT GROUP restructuring continued during 2009, with APN management in discussions with a number of parties regarding the Auckland heatset printing business. Based on such negotiations, APN does not expect to continue to consolidate this business and has treated it as a discontinued business at a loss of \$1.8 million for the period under review.











## **ASIA**

APN News & Media is a leading outdoor advertising operator in the dynamic Hong Kong and Indonesian markets.

The global financial crisis affected our trading performance in the region in 2009, particularly in Hong Kong, although we are confident that market will return. The crisis had less of an impact on Indonesia.

APN is well placed to generate long-term revenue streams in these two growth markets where outdoor is the best medium to deliver advertising messages to large numbers of drivers and pedestrians.

Our billboard and transit businesses in Hong Kong are world-class operations. Through Buspak, APN operates the leading transit advertising business in the city, supplying sophisticated formats for thousands of buses under the operation of Citybus, New World First Bus and Long Win Bus. The fleet of double-decker buses featuring whole vehicle 'wraps' are landmarks in the territory.

In the second half, Buspak signed a five-year contract with Citybus and New World First Bus to be their exclusive transit advertising service provider. Aiding those negotiations was the official launch in July of Webus, a Buspak innovation that provides free wi-fi internet access on selected buses. Public reaction to Webus has been very positive while advertisers have also praised the development.

APN also operates premium billboards in Hong Kong under the Cody brand. Established in 2000, the Cody network covers tunnels and downtown areas.

In Indonesia, our large format billboards are market leaders. Our partner, Rainbow Outdoor Advertising, is the premium billboard operator, with high-profile positions around Jakarta and other metropolitan markets.

Late in the second half of the year, we completed the disposal in Malaysia of the Kurnia business, in which APN was a joint-venture partner, to multimedia company, Media Prima.

APN is hopeful of better trading in 2010 as Asian markets benefit from the anticipated recovery.

# CORPORATE SOCIAL RESPONSIBILITY

APN News & Media has long been an advocate of local community involvement. Indeed, our support for the many towns and cities in which we operate predates the entry into the vernacular of the term 'corporate social responsibility'.

Through our Publishing, Radio, Online and Outdoor operations, APN is an active participant in a cross-section of communities. The social impact of our activities goes much further than any direct philanthropic role. Our local newspapers, radio stations and websites often become the central coordinating force behind charities and important social issues. Many of our employees are proud participants in those organisations and events.

APN's engagement in CSR covers the gamut from supporting local sporting competitions at the grassroots level to managing charity appeals which raise millions of dollars in donations. In 2009, total CSR support from the Company – in terms of advertising space contributed, funds directly donated as well as solicited through readers and listeners – exceeded \$25 million. This value excludes the advertising equivalence of the many editorial articles or radio segments that have promoted individual charities and their important work in communities.

The impact of an economic downturn notwithstanding, APN and its people will continue to support local organisations that deliver extraordinary benefits to those living and working in our markets.

#### **EDUCATION**

- Through the Newspapers in Education (NiE) programmes, our publications across Australia and New Zealand provide extensive resources and complimentary editions to local schools to assist with literacy efforts as well as social awareness and general knowledge. NiE pages link in with school curricula.
- Newspapers, magazines and radio undertake a public education and information role through special features and promotions on public health issues such as breast cancer, Parkinson's disease, autism and childhood cancers.
- The New Zealand Herald publishes secondary school students' work in The College Herald to encourage interaction with and understanding of journalism print media.
- Regional publications in New Zealand work actively with schools to host students in a combination of media studies.
- In a bid to address growing rates of childhood obesity, The Radio Network and NiE New Zealand support the WeetBix Triathlon for 7 to 14-year-olds, the largest sporting event for children in the world, with more than 20,000 children entering nationwide.
- The New Zealand Woman's Weekly sponsors the Real Women's Duathlon series, which encourages women to be more physically
- TRN has been instrumental in promoting the Rowing for Prostate project that raised \$285,000 for prostate cancer research.
- Radio stations and newspapers across Australia and New Zealand support breast cancer awareness month, Camp Quality and the Variety
- The New Zealand Listener sponsors the New Zealand National Spelling
- Through its sponsorship of Workchoice Day, heraldjobs.co.nz helps Year 12 students make informed decisions about their future careers.

#### **HUMANITARIAN**

- The annual Adopt a Family for Christmas appeal conducted by APN Australian Publishing is now in its 16th year. In 2009, the appeal supported more than 3,000 families, raising aid of an estimated value of more than \$1 million. Since its inception, the annual campaign has helped more than 21,000 families, attracting in excess of \$6 million in donations.
- TRN's New Zealand \$10 Queenstown Challenge to Cure Kids raised \$400,000 to fund child health medical research. The network's involvement with Loud Shirt Day helped raise \$185,000 for The Hearing House, which assists children who need cochlear implants.
- TRN's Newstalk ZB host Danny Watson had a haircut for the Leukaemia and Blood Foundation, raising more than \$25,000.
- All TRN brands promoted the Samoa Tsunami Relief Appeal, with funds raised going to the Red Cross.
- ARN's Mix live breakfast stream generated 1,500 child sponsorships for World Vision leading up to Christmas. The Gold 104.3 and WSFM 101.7 stations supported concerts to aid victims of the Victorian bushfires.
- The Star City to Surf event raised \$14,000 for the Westpac Helicopter service in Canterbury, New Zealand.

#### COMMUNITY

- Through public service announcements, ARN and TRN provide free community messages worth millions of dollars for scores of local and national charity groups. Charities include the Red Cross, Bone Marrow Donor Institute, Child Flight, Cancer Council, Mothers Day Classic, Fred Hollows Foundation, World Wildlife Fund, Seeing Eye Dogs, Autism New Zealand, Muscular Dystrophy New Zealand, The Hearing House New Zealand, Heart Kids New Zealand and UNICEF.
- The New Zealand Herald promotes Unsung Heroes to recognise and reward people within the community for good deeds.
- In 2009, The New Zealand Herald published a series of articles to promote country awareness of the impacts of methamphetamine, 'The war against P'.
- TRN celebrates community diversity through support of Race Relations Day and how special and important our children are by supporting New Zealand's Children's Day.
- Newstalk ZB is the radio media partner for the New Zealander of the Year Awards. The awards were launched in Wellington and are supported by former Prime Minister Jim Bolger. The awards will be presented around Waitangi Day 2010. These awards are run along similar lines to the successful Australian of the Year Awards that have been presented for 50 years.
- The Adshel street furniture businesses contributed advertising space worth more than \$1 million to the not-for-profit sector.
- APN's newspapers and magazines provide complimentary advertisements for a large number of local charities, including Starship Foundation, Leukaemia and Blood Foundation, Heart Children Foundation, The Salvation Army, Cure Kids, Kids in Cars and Air New Zealand Kids Charity.
- The New Zealand Herald supports Ronald McDonald House via a partnership with McDonald's.
- APN Online's portfolio of market-leading websites provide millions of complimentary page impressions for a number of community and charity groups, including IHC, Cure Kids, Fred Hollows Foundation, Child Cancer Foundation, Leukaemia and Blood Foundation, UNICEF, Auckland City Mission, Cancer Society, Deaf Foundation, KidsCan, ChildFund, Life Education Trust, Australian Cancer Council, Australian Conservation Foundation, Paw Justice and Oxfam.
- Regional publications work closely with local organisations to promote sustainable growth and improvements to their communities. Just one example is the Clean Up Our City graffiti campaign run by the Northern Advocate in Whangarei, which has been recognised with a number of national and international awards.
- The New Zealand Herald Future Stars of Sport Awards recognise six talented young athletes (under 20) with a \$1500 training grant.
- The New Zealand Woman's Weekly sponsors the Royal New Zealand Society for the Prevention of Cruelty to Animals' annual cupcake fundraising initiative.
- The Star is a major media sponsor of The Children's Santa Parade Trust in Christchurch. It is also a major media sponsor of the Helping Hands Trust, an organisation dedicated to helping raise funds for worthy recipients.
- The ARN network and its stations have supported a range of events or organisations that assist cancer charities, hospital appeals and the visually impaired.

#### **CULTURE**

APN News & Media sponsors the Australian Chamber Orchestra as well as the Auckland Philharmonia Orchestra,

- ARN sponsors the Sydney Opera House and TRN sponsors the New Zealand Symphony Orchestra and the Royal New Zealand Ballet.
- The New Zealand Listener sponsors the Auckland Writers and Readers Festival, Documentary Edge Festival and the New Zealand International Arts Festival.
- The New Zealand Herald is a long-time sponsor of New Zealand Fashion Week, which showcases the latest looks from our local designers to the world. The New Zealand Herald also sponsors the Auckland Writers and Readers Festival, with The College Herald sponsoring creative and poetry writing workshops for students

#### CONSERVATION

- Newspapers participate in recycling programmes as well as promote green activities through our publications.
- APN Outdoor aims to minimise its environmental impact and participates in programs to recycle or re-use its advertising skins.
- In 2009, NiE ran a 10-day consecutive study on The Sustainability Challenge that explored ways to nurture and protect Earth's natural resources and cut our environmental impact by reducing, reusing and recycling resources.

#### **APN PEOPLE**

APN's people are an integral part of our success in the many markets in which we operate. The ability to provide stimulating, informative and innovative content to our readers and listeners depends on the quality of our employees and the way in which we provide performance and growth opportunities for them. Likewise, our capacity to provide customers with informed and profitable solutions to their advertising needs requires a human touch. This has never been more important than during these challenging economic times.

A principal focus during 2009 continued to be on efficiency improvement and cost management. Critical attention to work practices has enabled APN to improve productivity in all divisions. Working closely with our staff has enabled management to achieve strong cost savings.

#### This included:

- creating more flexible working arrangements within our various businesses, such as making use of part-time and casual-hours rosters together with reducing outstanding employee leave balances through organised leave absences;
- reducing staff headcounts, either through natural attrition or redundancy; and
- establishing superior performance management practices.

The Company's success in achieving strong cost savings, and at the same time, maintaining its high standard of customer service, is due in large part to committed and loyal employees who take pride in their work, their customers and their communities.

The management of APN, starting at the group executive committee level, is determined to build on this strong base and support and sponsor people leadership programmes that will grow and sustain our high-performing organisation. Specific focuses going forward will include:

- enhancing pay and performance relationships through more aligned incentive schemes;
- protecting our management and leadership 'bench strength' through robust succession planning; and
- fostering high-performing people through targeted development and training programs.

## ORPORATE GOVERNANCE

The Board of APN News & Media Limited endorses good corporate governance practices and oversees an organisation-wide commitment to high standards of legislative compliance and financial and ethical behaviour.

The Directors' overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders and ensures the Company is properly managed.

The Company has considered the best practice recommendations established by the ASX Corporate Governance Council "Corporate Governance Principles and Recommendations" (2nd edition) in effect during the reporting period (Recommendations) and, except to the extent indicated below, has complied with the Recommendations for the entire reporting period. In addition, a description of the Company's main corporate governance practices and policies are set out below. This report is available in full on the Company's website www.apn.com.au.

#### **BOARD OF DIRECTORS**

#### Board responsibilities

The Board is responsible for overseeing the long-term profitable growth of the Company. This is achieved through a process of regular reviews of strategy, operations and areas of risk. The Board sets overall corporate policy and provides guidance for senior management, as well as oversight of policy

The responsibilities of the Board are to:

- oversee the workings of the Company, including its control and accountability systems;
- appoint and remove the Chief Executive:
- appoint and remove the Chief Financial Officer (based on the recommendation of the Chief Executive);
- appoint and remove the Company Secretary;
- provide input into and approve corporate strategy;
- provide input into and approve the annual operating budget (including the capital expenditure budget);
- approve and monitor the progress of major capital expenditure, capital management and acquisitions/divestitures;
- monitor compliance with legal and regulatory obligations; and
- review and ratify systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies.

Responsibility for the day-to-day operations of the Company is conferred on the Chief Executive who reports to the Board and provides the Board with information in relation to the conduct of the business of the Company. The Chief Executive exercises this responsibility in accordance with Boardapproved annual operating budgets and reports to the Board at regular Board meetings. The Company's senior executive team meets regularly (usually monthly) to ensure that the day-to-day operations of the Company are in accordance with Board-approved operating budgets and policies.

#### Term of office

The Constitution of the Company specifies that there shall be no fewer than three Directors and no more than 20.

The Constitution of the Company specifies that at every Annual General Meeting one-third of the Directors (other than any Managing Director and Directors appointed since the most recent Annual General Meeting), or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office and be eligible for re-election.

The Directors to retire in every year shall be the Directors longest in office since last being elected or re-elected.

A Director appointed since the most recent Annual General Meeting shall hold office only until the next following Annual General Meeting and shall then be eligible for election by shareholders.

#### Composition and qualifications

The Board currently consists of 10 members: nine non-executive Directors and one executive Director. During the reporting period, two Directors retired from the Board and one Director joined the Board.

Details of the names, qualifications, tenure, skills, experience and Board Committee memberships of the current Directors and the meeting attendances of Directors during the reporting period appear on pages 32 to 34 of this Annual Report.

#### **Board** procedure

The Board meets formally on at least six occasions during the financial year. From time to time, meetings are held at the offices of divisional operations enabling Directors to obtain increased knowledge of individual Company operations.

# CORPORATE GOVERNANCE

#### Meeting agendas

Meeting agendas are settled by the Chairman of the Board with input from the Chief Executive to ensure adequate coverage of financial, strategic and major risk areas throughout the financial year. Directors add items to the agenda. From time to time, non-executive Directors discuss issues, on an as needs basis, without management present.

#### Independent advice

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, however, this will not be unreasonably withheld.

#### Independence of Directors

The Board does not comply with the definition of independence applicable to Recommendations 2.1 and 2.2 due to some Directors, including the Chairman, having an association with the significant shareholder, Independent News & Media PLC (INM).

The Board believes that the existence of this association in relation to certain Directors does not interfere with the independent judgement of any of the Directors or impedes the Directors' ability to act in the best interests of the Company.

In terms of assessing independence, Directors are considered to meet the threshold for independence if they are independent of management and free from any business or other relationship which could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. Rather than applying materiality thresholds, materiality is assessed on a case-by-case basis.

In relation to the reporting period, the following Directors are considered by the Board to be independent:

AE Harris, Deputy Chairman

KI Luscombe

**IH** Maasland

PP Cody

S Atkinson (retired as a Director of the Company on 5 May 2009).

In relation to the reporting period, the following Directors were affiliated with INM:

GK O'Reilly, Chairman

DJ Buggy

VC Crowley (appointed as a Director of the Company on 5 March 2009)

LP Healy (retired as a Director of the Company on 5 May 2009)

PM Cosgrove (ceased to be a Director of INM on 12 June 2009)

AC O'Reilly (ceased to be a Director of INM on 12 June 2009).

In relation to the Chief Executive, Mr Hopkins has been seconded by INM to the Company until 30 April 2012.

#### Performance evaluation

From time to time, including during the reporting period, the operation of the Board, its Committees and individual Directors and their performance are discussed and, where appropriate, measures are taken to enhance their effectiveness.

#### **Board Committees**

The Board has established a number of Committees to assist in the execution of its duties and to allow detailed consideration of various issues.

Current Committees of the Board include among others, the Nomination Committee, Remuneration Committee and Audit Committee which all consist entirely of non-executive Directors. Each of these Committees has its own formal charter setting out the authority delegated to it by the Board. Copies of the charters are available on the Company's website.

All matters determined by these Committees are submitted to the full Board for ratification.

#### Nomination Committee

The Board established a Nomination Committee in 1997. During the reporting period, the Nomination Committee consisted of the following nonexecutive Directors:

- GK O'Reilly (Chairman)
- **IH Maasland**
- PP Cody (appointed 24 February 2009)
- PM Cosgrove (appointed 24 February 2009)
- AC O'Reilly (appointed 3 July 2009)

## ORPORATE GOVERNANCE

- S Atkinson (retired as a Director of the Company on 5 May 2009)
- KJ Luscombe (resigned as a member of the Nomination Committee and was appointed as a member of the Remuneration Committee on 24 February 2009).

The main role of the Nomination Committee is to:

- review the composition of the Board to ensure it is comprised of members who provide the required breadth and depth of experience and knowledge to achieve the objectives of the Board;
- ensure the filling of any vacancies on the Board with the best possible candidate through the use of executive search firms and/or by direct approach;
- consider the appointment of additional Directors to provide the expertise to achieve the strategic and economic goals of the Group.

Once a potential candidate for the Board is identified, the Nomination Committee conducts a review of the relevant candidate's experience and qualifications and the needs of the Company and the Board. Following the review, the Nomination Committee may recommend to the Board that the candidate be appointed a Director of the Company.

#### Remuneration Committee

The Board established a Remuneration Committee in 1997. During the reporting period the Remuneration Committee consisted of the following non-executive Directors:

- AE Harris (Chairman)
- KJ Luscombe (from 24 February 2009)
- GK O'Reilly (from 24 February 2009)
- VC Crowley (from 3 July 2009)
- LP Healy (retired as a Director of the Company on 5 May 2009)
- JH Maasland (resigned from the Remuneration Committee on 24 February 2009).

The main role of the Remuneration Committee is to:

- ensure that remuneration policies and practices are consistent with the strategic goals of the Group and are relevant to the achievement of those goals:
- review on an annual basis the remuneration of executive Directors, including establishing the overall benefits and incentives;
- review in consultation with the Chief Executive, remuneration packages of executives reporting directly to the Chief Executive;
- review non-executive Directors' remuneration and benefits;
- obtain independent advice, as necessary, on the appropriateness of remuneration; and
- be responsible for reviewing general incentive schemes and superannuation plans.

The performance of senior executives is evaluated on an ongoing basis by the Chief Executive who then makes recommendations to the Remuneration Committee in relation to the appropriate level of remuneration for the senior executives based on their performance against budgeted profitability targets (either Group or divisional as appropriate) and the achievement of individual business objectives. The Remuneration Committee reviewed the remuneration of the senior executives (including the Chief Executive) during the reporting period.

Further details on remuneration policy and the structure of executive and non-executive Director remuneration and further details of the appraisal and performance evaluation applicable to senior executives appear on pages 22 to 30 of this Annual Report.

#### Audit Committee

The Board established an Audit Committee in 1993. During the reporting period, the Audit Committee consisted of the following non-executive Directors:

- JH Maasland (Chairman)
- **AE Harris**
- KJ Luscombe
- DJ Buggy.

The Charter of the Audit Committee is available on the Company's website. The main role of the Audit Committee is to:

- review the scope and effectiveness of the internal and external audit functions, financial reporting and risk management;
- review and consider any reports or findings arising from any audit function either internally or externally;
- review the interim and annual financial statements;
- ensure that there are adequate disclosures and that the financial statements are consistent with previous statements and disclosures;
- assess the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets and other public bodies;
- review the appointment, independence, performance and remuneration of external auditors and assess the ability of the external auditors to provide additional services which may be occasionally required;
- review and assess the adequacy of compliance with all regulatory requirements and generally accepted accounting principles;
- review and monitor internal financial controls to ensure they are adequate and effective to minimise financial and other major operating risks;

## CORPORATE GOVERNANCE

- review the integrity and prudence of procedures for management control;
- consider the adequacy of internal controls by reviewing management letters and the response of management;
- review and approve risk management policy and consider reports on risk management; and
- assess the effectiveness of risk management throughout the Company and the Group and report to the Board on risk management.

The Audit Committee has unlimited and unrestricted access to management and employees and regular meetings are held with the external auditors, providing an essential direct link between the auditors, management and the Board.

Audit Committee meetings are held at least twice a financial year to evaluate the financial information submitted to it and to review any procedures and policies that would affect the accuracy of that information.

Audit Committee meetings are regularly attended by the Chief Executive, Chief Financial Officer, Company Secretary, other senior management and the external auditors, by invitation.

An ongoing five year rotation policy applies to the engagement partner of the external auditor of the Company.

#### **ENVIRONMENT**

The Company supports best practice and is committed to complying with all relevant legislation in relation to both the production of its products and environmental issues generally. The Group regularly discusses new products and processes with its suppliers and environmental issues are considered as part of the decision-making process for such matters.

#### RISK MANAGEMENT

In addition to the role of the Audit Committee in the area of risk oversight and management, the Board monitors the operational and financial performance of all business units through regular reports from the Chief Executive to enable the identification of the key business and financial risks which may prevent the Group from achieving its objectives.

This enables the Directors and executives to be fully informed of such risks to ensure that appropriate controls are in place to effectively manage those risks.

The Company maintains a Risk Management Policy to facilitate the oversight and management of material business risk. The approach of the Group to risk management is based on:

- ensuring that each of its business divisions and the Group as a whole:
  - identify actual and potential risks which would have a material impact on the Group;
  - assess their impact on business and financial objectives of the Group;
  - implement effective and appropriate strategies and actions to address risk issues; and
- clearly identifying responsibility and accountability for financial, operational and risk management issues; and
- the continued review and assessment of the Group's approach to risk management.

Where appropriate, external professional advice is obtained to evaluate, assess and/or rectify potential key business or financial risks within the Group.

The Risk Management Policy is available on the Company's website. Implementation of enhancements to the Risk Management Policy and risk management framework endorsed by the Board are being pursued on an ongoing basis. For example, during the reporting period, the Board adopted a Fraud Policy to facilitate the development of controls which will aid in the detection and prevention of fraud.

As part of the Company's risk management and internal compliance procedures, the Chief Executive and Chief Financial Officer are required to state to the Board in writing and in accordance with section 295A of the Corporations Act 2001 that the Company's financial reports present a true and fair view of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. The Chief Executive and Chief Financial Officer also confirm to the Board that their statements are based on a sound system of risk management and internal compliance and controls and that this system is operating effectively in all material respects, and all material Group risks are being managed effectively. Accordingly, through this statement, management reports to the Board as to the effectiveness of the Company's management of its material business risks.

#### SHAREHOLDER COMMUNICATION AND CONTINUOUS DISCLOSURE

As part of an overall policy of open disclosure, the Company ensures that all material communications regarding its operations are made available for all interested stakeholders in a timely fashion. The Company has a policy in place to ensure compliance with Australian Securities Exchange (ASX) and New Zealand Exchange (NZX) Listing Rules regarding disclosure and to ensure accountability at a senior management level for compliance. The Market Disclosure Policy is designed to ensure that there is full and timely disclosure of the Company's activities to shareholders and the market, in accordance with the Company's legal and regulatory obligations. In summary, the Market Disclosure Policy provides for the following:

- the disclosure of price-sensitive information (unless there is an applicable exception);
- the Company's approach to market speculation;
- disclosure responsibilities and procedures; and
- how external communications are conducted.

## CORPORATE GOVERNANCE

A copy of the Market Disclosure Policy is available on the Company's website.

The Company's website lists announcements made to the market, press releases, presentations to industry analysts and investors, and information regarding annual and interim financial results. The details are posted to the website as soon as practicable after release to the ASX and NZX. Copies of recent past Company Annual Reports and details of the outcome of Annual General Meetings are also available from the website, or upon request directly from the Company.

Announcements, press releases and financial data for the past three years are available on the Company's website. Shareholders also have the option to receive certain electronic communications from the Company.

In relation to shareholder participation at Annual General Meetings, the Company has in recent years provided a facility for the electronic lodgement of proxies. The Company has also provided a live webcast of its Annual General Meeting through the Company's website. Shareholders attending the Annual General Meeting are able to ask questions of the external auditor, who is requested by the Company to attend each Annual General Meeting to respond to queries about the conduct of the audit and the preparation and content of the auditor's report.

As required by the NZSX Listing Rules, the Company discloses the following:

- the rules set out in Appendix 17 of the NZSX Listing Rules do not apply to the Company as it is a "Dual Listed Issuer" (as defined in the NZSX Listing Rules); and
- the Company has been granted a waiver from NZSX Listing Rule 7.12.1, and has relied on the waiver during the year in order to allow the Company to disclose the aggregate number of shares issued under the Company's Executive and Director Option Plan within a month of their issue (as permitted by the ASX Listing Rules), rather than having to make multiple disclosures of issues under that plan as would otherwise be required by NZSX Listing Rule 7.12.1 (subject to certain conditions being complied with).

#### **SECURITIES TRADING**

Directors and executives are made aware that the law prohibits insider trading. The Directors are aware that the Corporations Act 2001 and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in Company securities. Executives are also aware that the NZSX Listing Rules impose certain disclosure obligations on some executives.

In addition to these requirements and obligations, the Company has also adopted a Securities Trading Policy and Guidelines. The Securities Trading Policy and Guidelines contains trading restrictions on Directors, executives and optionholders both where trading is not permitted by law and also during Company designated closed periods prior to the release of half and full year results. This Policy also prohibits the entering into of any hedging or other arrangements by which the economic risk associated with any unvested options held pursuant to the Company's Executive and Director Option Plan are limited. The Policy states that breaches of this Securities Trading Policy and Guidelines will be subject to disciplinary action, which may include termination of employment. A copy of the Securities Trading Policy and Guidelines is available on the Company's website.

#### **ETHICAL STANDARDS**

The Group has developed a Code of Conduct embracing policies and other standards within which employees are expected to act. A copy of the Code of Conduct is available on the Company's website.

Under the Code of Conduct, the practices necessary to maintain confidence in the Company's integrity, legal obligations and the reasonable expectations of stakeholders are summarised as follows:

- all Directors and employees are required to abide by laws and regulations and the requirements of the Code of Conduct and to respect confidentiality and the proper handling of information;
- all Directors and employees are required to act with the highest standards of honesty, integrity, objectivity and ethics in all dealings with each other, the Group, customers, suppliers and the community;
- Directors or employees giving and receiving gifts in connection with the operation of the Company and its subsidiaries are covered by the Code of Conduct, as are political contributions which must not be made directly or indirectly on behalf of the Company (or its subsidiaries) without Board approval;
- bribes or similar illegal payments must not be made to government officials, customers, suppliers or any other person in connection with obtaining orders or favourable treatment; and
- full co-operation with internal and external auditors, proper record keeping and the avoidance of conflicts of interest are all required.

It is a term of standard Group employment contracts that employees must comply with Company policy (which includes the Code of Conduct) and failure to do so is considered serious and may have consequences depending on the facts in each case, including termination of employment. Reporting of instances of breaches of the Code of Conduct is encouraged and during the reporting period the Company adopted a Whistleblower Policy to assist in the identification and reporting of breaches of Company policy and similar matters. A copy of the Whistleblower Policy is available on the Company's website. In the event a concern is submitted under the Whistleblower Policy, decisions as to the appropriate action to take in order to investigate and validate any allegations are taken jointly by the Internal Audit Manager, Group General Counsel and Chairman of the Audit Committee.

The Group is committed to compliance with all relevant laws and regulations and continually assesses its operations to ensure the health and safety of its employees and the protection of the environment and the community.

Your Directors present their report on the consolidated entity consisting of APN News & Media Limited (Company or parent entity) and the entities it controlled at the end of, or during, the year ended 31 December 2009.

#### 1. DIRECTORS

The following persons were Directors of APN News & Media Limited during the whole year and up to the date of this report unless otherwise stated:

Gavin Karl O'Reilly (Chairman) Albert Edward Harris (Deputy Chairman) Brendan Michael Anthony Hopkins (Chief Executive) Donal Joseph Buggy Pierce Patrick Cody Peter Maxwell Cosgrove Vincent Conor Crowley (appointed 5 March 2009) Kevin John Luscombe John Hendrik Maasland Anthony Cameron O'Reilly Sallyanne Atkinson (retired 5 May 2009) Liam Padraig Healy (retired 5 May 2009)

Details of their qualifications and experience, special responsibilities, meetings attended and shareholdings are set out in this report and in a separate section following the financial statements titled "Information on Shareholders", which is to be regarded as contained in this report.

#### 2. PRINCIPAL ACTIVITIES

APN is the largest radio and outdoor advertising operator in Australasia as well as one of Australia's leading regional publishers. APN is the largest media company in New Zealand, where it owns The New Zealand Herald, the country's largest newspaper. In Asia, the Company has market leading Outdoor positions in Hong Kong and Indonesia. APN is a leader in online in both New Zealand and Queensland and has been listed on the Australian Stock Exchange since 1992, and on the New Zealand Stock Exchange since June 2004.

The nature of the consolidated entity's activities did not change significantly during the financial year under review.

#### 3. TRADING RESULTS

The consolidated profit attributable to owners of the parent entity for the financial year (after exceptional items and discontinued operations) was \$92,628,000 (2008 loss: \$23,972,000).

#### 4. DIVIDENDS

Dividends paid to owners during the financial year were as follows:

	2009 \$'000	2008 \$'000
Unfranked final dividend for the year ended 31 December 2008 of 12.0 cents per share, paid on 23 April 2009 (2007: 21.0 cents per share unfranked paid on 24 April 2008)	58,850	102,761
For the year ended 31 December 2009, no interim dividend was declared or paid (2008: 10.5 cents per share unfranked paid on 2 October 2008)		51,414
	58,850	154,175

In addition to the above dividends, since the end of the financial year the Directors have declared the payment of a fully franked final dividend of \$23.8 million (4.0 cents per share) to be paid on 30 March 2010.

#### 5. REVIEW OF OPERATIONS

A review of operations of the consolidated entity for the year ended 31 December 2009 is set out on pages 3 to 14.

#### 6. EARNINGS PER SHARE (EPS)

	2009 cents	2008 cents
Basic EPS – before exceptional items and discontinued operations  Diluted EPS – before exceptional items and discontinued operations	17.0 17.0	28.3 28.2
Basic EPS – after exceptional items and discontinued operations  Diluted EPS – after exceptional items and discontinued operations	16.7 16.7	(4.7) (4.7)

#### 7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period the company issued 99,280,471 shares via an underwritten Non-Renounceable Pro-Rata Entitlement Offer to shareholders. Net proceeds of this Offer, after issuance costs, were \$96.5m which has been used to reduce debt and strengthen our balance sheet.

These shares were listed on the Australian and New Zealand stock exchanges on 2 June 2009 and 23 June 2009. Further details of the Offer are included in the various market announcements made by the company.

Except as noted above, in the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

#### 8. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

#### 9. LIKELY DEVELOPMENTS

Overall strategic direction and prospects are discussed in the Chairman's and Chief Executive's Reviews on pages 3 to 5.

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the consolidated entity.

#### 10. REMUNERATION REPORT

This Remuneration Report for the financial year has been prepared to comply with section 300A of the Corporations Act 2001.

#### **Directors**

The Directors of APN News & Media Limited during the financial year are listed in section 1 of the Directors' Report.

#### Company and Group executives (other than Directors) of APN News & Media Limited

The following Relevant Executives, together with Brendan Hopkins and the other Directors, were the key management personnel having authority and responsibility for planning, directing and controlling the activities of the parent entity and consolidated entity during the financial year

Name	Position	Employer
Peter Myers	Chief Financial Officer	APN News & Media Limited
Martin Simons	Group Publishing Chief Executive	APN New Zealand Limited
Richard Herring	Group Radio and Outdoor Chief Executive	APN Outdoor Pty Limited
Warren Lee	CEO APN Online	APN News & Media Limited
Rob Lourey	Group Human Resources Director	APN News & Media Limited

#### Remuneration of Directors and executives

#### Principles used to determine nature and amount of remuneration

The Remuneration Committee advises the Board on remuneration policy and principles generally, and makes recommendations on remuneration packages and other terms of employment annually.

To ensure that the Company is able to attract and retain executives capable of managing the consolidated entity's operations and achieve its performance goals, remuneration packages of executives are structured to:

- create value for shareholders;
- be competitive in the market;
- align executive reward with company performance; and
- reward the achievement of strategic objectives.

The Company's executive reward framework conforms with market best practice for delivery of rewards.

In consultation with external reward consultants, the Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. The external reward consultants have advised that the remuneration arrangements for the Chief Executive and the other Relevant Executives are:

- competitive against an appropriate peer group as determined by the external reward consultants; and
- appropriately balanced between base reward, short-term incentive (STI) and long-term incentive (LTI).

The Company's reward framework achieves alignment to shareholders' interests by:

- having profit as a core component of STI;
- focusing on sustained growth in earnings by using earnings per share (EPS) as a key driver of LTI; and
- being designed to attract and retain high-calibre executives.

The framework provides a mix of fixed and variable pay, and a blend of STIs and LTIs. In respect of Relevant Executives with division-specific responsibilities, STIs will generally be based on divisional performance whilst LTIs are based on overall Group performance. This aligns the overall Group objectives of creating shareholder value with the fact that the responsibilities of certain executives are linked to individual divisions.

#### Company performance in 2009

This performance-linked approach to remuneration policy ensures there is alignment between the generation of shareholder wealth and remuneration of key management personnel.

In 2009, the financial performance of the Group was adversely impacted by extremely challenging economic circumstances and trading conditions in all our sectors. As a result, group and divisional budget targets were not met and overall EPS growth was insufficient to satisfy conditions for vesting of LTI awards made under the Executive and Director Option Plan (EDOP). Accordingly, key management personnel receive no STI payments in respect of 2009. Also, options granted under the EDOP in 2006 have not to date met the relevant performance targets.

	2009	2008	2007	2006	2005	2004
Net profit after tax (NPAT)(i)	\$94.2m	\$143.1m	\$169.4m	\$157.5m	\$149.6m	\$130.1m
Annual change in NPAT	(34.2%)	(15.5%)	7.6%	5.3%	15.0%	25.7%
Dividends per share (dps)	12.0c	22.5c	31.5c	29.7c	24.2c	22.0c
Diluted EPS(i) (ii)	17.0c	28.3c	32.9c	29.8c	27.2c	23.4
Annual change in diluted EPS	(39.9%)	(14.0%)	10.4%	9.6%	16.2%	5.4%
Share price at 31 December	\$2.32	\$2.48	\$5.27	\$6.05	\$4.80	\$5.15

<sup>(</sup>i) Pre exceptional items. 2009 and 2008 pre discontinued operations

#### Non-executive Directors

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Remuneration Committee has responsibility for reviewing and recommending the level of remuneration for non-executive Directors in relation to Board and Committee duties, within the overall maximum amount approved by shareholders. This amount is currently a total of \$750,000 per annum.

Non-executive Directors may receive retirement benefits in accordance with the Company's Constitution and the Corporations Act 2001.

#### Executive pay

The executive pay and reward framework has the following components:

#### Fixed remuneration

Fixed remuneration includes base salary, other fixed remuneration including fully costed salary packaged benefits such as motor vehicles (including fringe benefits tax as applicable) and superannuation. There are no guaranteed fixed remuneration increases for executives.

#### Other remuneration related costs

The Company incurs other remuneration related costs in respect of certain executives which are not regarded as part of the executive's fixed remuneration. Typically, such payments are ancillary to the executive's employment such as rental assistance or family travel in circumstances where the Company requires the executive to relocate. The other employment cost includes fringe benefit tax if applicable.

#### Retirement benefits

Retirement benefits are delivered to executives under a number of different schemes. All contributions made on behalf of executives are based on a percentage of base salary and in some instances on a total salary package basis. No Relevant Executives are members of defined benefit schemes.

#### Short-term incentives

STIs are earned through cash awards to participating executives subject to achieving certain performance goals. STIs in respect of any year are paid early in the next financial year following the finalisation of the audited results.

In determining the amount of the STIs to be paid, the Remuneration Committee has regard to achievement of budgeted profitability targets (either Group or divisional as appropriate) and achievement of individual business objectives. If budgeted targets are achieved, 50% of the maximum STI is payable (unless otherwise detailed in the individual contracts disclosed in this report). The balance of the STI is payable depending on the extent to which the budget is exceeded. The maximum STI is payable if budgets are exceeded by 10% other than as detailed in the individual contracts disclosed in this report. In certain exceptional circumstances, the Remuneration Committee may take account of other factors impacting on the year's results as well as the extent to which other business objectives have been achieved.

The Remuneration Committee considers evaluation of financial performance to be a critical criterion and one which can be objectively assessed against the actual audited results. The Remuneration Committee considers that the use of objective and verifiable data to test the achievement of performance aids transparency.

<sup>(</sup>ii) Adjusted for bonus element of 2009 rights issue

For 2009, the Remuneration Committee has determined that the proportion of the STI payable is as follows:

	STI payable	STI forfeited
Brendan Hopkins	0%	100%
Peter Myers	0%	100%
Martin Simons	0%	100%
Richard Herring	0%	100%
Warren Lee	0%	100%
Rob Lourey	0%	100%

Generally, no part of the STI is payable where an executive leaves during the year.

#### Long-term incentives

The Company has provided LTIs to executives through participation in the EDOP. The terms of options granted to the Chief Executive in 2004 and 2006 were approved by shareholders prior to being issued. Options issued in 2004 and 2006 to Relevant Executives were issued on the same terms as those for the Chief Executive. The terms of options granted to Relevant Executives (excluding the Chief Executive) in 2008 were issued on terms approved by the Board. There were no options issued in 2005, 2007 or 2009. Eligibility for participation in the EDOP is at the discretion of the Board.

#### Options granted under the EDOP:

- are granted for no consideration and carry no dividends or voting rights;
- are generally exercisable between three and five years from the date of grant at the exercise price, subject to the satisfaction of performance hurdles;
- are convertible into one ordinary share per option;
- have an exercise price equal to the weighted average market price of the Company's shares sold on the ASX during the week immediately prior to and including the grant date;
- require the exercise price to be paid at the time of exercise of the options;
- cannot be transferred, encumbered or otherwise disposed of without the prior consent of the Board; and
- normally lapse if the option holder ceases to be an employee of the Company or any of its subsidiaries, and in the case of a Director, ceases to hold office, otherwise than by death, permanent incapacity, redundancy or retirement. In these events, options are normally exercisable within 12 months of the occurrence of the event.

In addition to their standard terms, all of the current options of the Company have performance criteria that must be satisfied before an option or tranche of options may be exercised. The performance hurdles for an option or tranche of options involve a comparison of the Company's EPS performance over a period of time with a specified rate of growth.

The maximum number of ordinary shares in respect of which options may be granted under the Plan may not exceed 10% of the total issued share capital of the Company from time to time without shareholder approval.

The Company's Securities Trading Policy and Guidelines provide that holders of options held pursuant to the EDOP are not permitted to hedge their options prior to such options becoming vested. The Policy states that breaches of the Securities Trading Policy and Guidelines will be subject to disciplinary action, which may include termination of employment.

#### Performance hurdles in relation to options granted in 2006

The 2006 options will only all be exercisable if the increase in earnings per share (as disclosed in the audited accounts of the Group) for the year ended 31 December immediately preceding any day on or between the first and last exercise date (Determination Date) compared with the earnings per share (as disclosed in the audited accounts of the Group) for the year ended 31 December three years prior to the Determination Date, exceeds a compound growth rate of 10% per annum.

In the event that the compound growth rate achieved by the Group is less than 5% per annum, then none of the options may vest.

In the event that the compound growth rate achieved by the Group is between 5% per annum and 10% per annum, then the percentage of the options that may vest will increase on a straight line basis between 50% and 100%.

In respect of the options issued during 2006, the minimum performance hurdles have not been satisfied as at 31 December 2009 and they are not likely to be achieved during the remaining life of the options.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### Performance hurdles in relation to options granted in 2008

The 2008 options will only be exercisable to the extent set out in the table below if the compound growth in the EPS (as disclosed in the audited accounts of the Group) for the financial year ending on:

- 31 December 2010 compared with the EPS for the financial year ended on 31 December 2007; or
- 31 December 2011 compared with the EPS for the financial year ended on 31 December 2007,

exceeds the compound growth rate in the table below.

Compound growth in EPS	Percentage of options that will vest
Less than 3% pa	0%
At or above 3% pa but less than 8% pa	50%-100% determined on a straight line pro-rata basis
At or above 8% pa	100%

The Directors consider that EPS represents the most objective long-term measure of the Group's performance and in determining whether the relevant performance hurdles have been satisfied, Directors are able to rely on the audited results for the relevant year.

In respect of the options issued during 2008, the performance hurdles cannot first be tested until the audited accounts for the 2010 financial year have been finalised.

#### **Employment contracts**

Remuneration and other terms of employment for the Relevant Executives are formalised in employment contracts. The extent to which each key management executive's remuneration is performance based is described elsewhere in this Remuneration Report.

#### Fixed-term contracts

#### Brendan Hopkins, Chief Executive

The term of Mr Hopkins' secondment was extended to 30 April 2012. Mr Hopkins receives a base salary inclusive of superannuation, bonuses and other benefits, including eligibility to participate in the EDOP, which are reviewed annually by the Remuneration Committee. Mr Hopkins is eligible to receive an STI payment, heavily weighted towards the financial performance of the Group and determined in accordance with the principles for STIs detailed elsewhere in this report. Mr Hopkins' agreement also contains a restraint (including a non-compete) which applies for a period of 12 months after its termination in Australia, New Zealand and any other country in which the Company and its related entities operate.

#### Rolling contracts

#### Other Relevant Executives

Peter Myers Chief Financial Officer

Martin Simons Group Publishing Chief Executive

Richard Herring Group Radio and Outdoor Chief Executive

Warren Lee CEO APN Online

Rob Lourey Group Human Resources Director

Contractual operating terms for these other Relevant Executives are substantially similar and contain confidentiality provisions.

Length of contract Continuing.

Other Relevant Executives receive a base salary, inclusive of superannuation, and benefits which are Fixed compensation

reviewed annually by the Chief Executive, subject to approval of the Remuneration Committee.

Short-term incentives Other Relevant Executives are eligible to receive a STI payment, heavily weighted towards the financial

> performance of the Group or the relevant division and determined in accordance with the principles for STIs detailed elsewhere in this report. In the case of Mr Myers, 50% of his STI is payable on achieving Group budgeted NPAT and 50% is subject to other performance objectives as determined by the Remuneration Committee upon the recommendation of the Chief Executive. In the case of Mr Lourey, 50% of his STI is based on performance criteria determined by the Chief Executive relative to Group financial objectives

and 50% is at the Chief Executive's discretion relative to an agreed human resources plan.

Long-term incentives Other Relevant Executives are eligible to participate in the EDOP at the Board's discretion.

Termination Employment may be terminated by either party giving 12 months' notice (six months in the case of Mr

Lourey) or, where employment is terminated by the Company, payment may be made in lieu of notice.

Redundancy If the Company terminates the employment of Messrs Simons, Herring or Lourey for reasons of

> redundancy, a termination payment would be paid depending on the length of their service, in each case not exceeding the following amounts: Mr Simons - two years' base salary, Mr Herring - 12 months'

remuneration and Mr Lourey – six months' base salary.

Non-compete Other Relevant Executives are subject to non-compete provisions for the term of their notice period. In the

> case of Mr Herring and Mr Lourey, the Company may elect to extend the non-compete by up to a further six months with the payment of up to a further six months' remuneration and in the case of Mr Lee, the Company may elect to extend the non-compete by up to a further 12 months with the payment of up to

a further 12 months' base salary.

All contracts provide that employment may be terminated at any time without notice for serious misconduct.

#### Details of remuneration

Details of short-term and post-employment benefits paid to each Director of APN News & Media Limited and each of the Relevant Executives (including the five receiving the highest emoluments) of the consolidated entity are set out in the following tables.

Other

Total

#### Directors of APN News & Media Limited

	Cash salary Short-term \$	Other fixed remuneration Short-term	Superannuation Post-employment \$	<b>Bonus</b> Short-term \$	Other remuneration related costs Short-term	Total excluding options
	APN News & Med and Director of APN		nited			
BMA Hopkins						
2009	1,726,575	151,305	406,756	_	220,507	2,505,143
2008	1,726,575	147,713	406,756	-	350,765	2,631,809
Non-executive Di	rectors of APN Nev	vs & Media Limited	I			
AE Harris						
2009	150,000	-	-	-	-	150,000
2008	150,000	-	-	-	-	150,000
WJ Whineray						
2009	-	-	-	-	-	-
2008	41,967	-	319,068*	-	-	361,035
S Atkinson						
2009	-	-	25,000	-	-	25,000
2008	68,807	-	6,193	-	-	75,000
PP Cody						
2009	68,043	-	6,124	-	-	74,167
2008	64,220	-	5,780	-	-	70,000
PM Cosgrove						
2009	60,704	-	5,462	-	-	66,166
2008	56,428	-	5,572	-	-	62,000
KJ Luscombe						
2009	89,167	-	-	_	-	89,167
2008	85,000	-	-	-	-	85,000
JH Maasland						
2009	88,685	-	7,982	-	-	96,667
2008	82,569	-	7,431	-	-	90,000
AC O'Reilly						
2009	66,514	-	5,986	_	-	72,500
2008	64,220	-	5,780	-	-	70,000
Total 2009	2,249,688	151,305	457,310	-	220,507	3,078,810
Total 2008	2,339,786	147,713	756,580	-	350,765	3,594,844
	v <b>subsidiaries of AP</b> hairman's fee Buspal		Limited			
2009	9,783	-	-	-	-	9,783
2008	9,498	-	-	-	-	9,498
Total 2009	2,259,471	151,305	457,310	-	220,507	3,088,593
Total 2008	2,349,284	147,713	756,580	-	350,765	3,604,342

<sup>\*</sup>Includes benefit paid out on retirement of office in accordance with the Corporations Act 2001

Directors not specified in the above table received no remuneration.

Consistent with previous years, certain Directors affiliated with Independent News and Media PLC do not receive Directors' fees from the Company. Refer note 25 for details of related party transactions.

#### Amortised cost to the Company of options issued to Directors, as required by AASB 124 Related Party Disclosures

BMA Hopkins: \$nil (2008: -\$300,361).

#### Total cost to Company after inclusion of the amortised cost of options

BMA Hopkins \$2,505,143 (2008: \$2,331,448), AE Harris \$150,000 (2008: \$150,000), WJ Whineray \$nil (2008: \$361,035), S Atkinson \$25,000 (2008: \$75,000), PP Cody \$74,167 (2008: \$70,000), PM Cosgrove \$75,949 (2008: \$71,498), KJ Luscombe \$89,167 (2008: \$85,000), JH Maasland \$96,667 (2008: \$90,000) and AC O'Reilly \$72,500 (2008: \$70,000).

Othor

Total

Total cost to Company in 2009 for all Directors was \$3,088,593 (2008: \$3,303,981).

#### Relevant Executives

	Cash salary remuneration Short-term Short-term		remuneration Superannuation Bonus		Other remuneration related costs Short-term	Total excluding options
	\$	\$	\$	\$	\$	\$
Peter Myers						
2009	664,002	-	42,385	-	-	706,387
2008	664,002	-	42,385	-	953	707,340
Martin Simons						
2009	726,124	40,071	71,980	-	105,620	943,795
2008	702,985	41,688	69,158	-	50,040	863,871
Mark Jamieson						
2009	-	-	-	-	-	_
2008	211,287	18,412	22,970	-	-	252,669*
Bob Longwell						
2009	-	-	-	-	-	-
2008	208,632	58,668	-	-	28,829	296,129*
Richard Herring						
2009	549,768	-	49,479	-	40,273	639,520
2008	474,771	-	42,729	-	35,459	552,959
Warren Lee						
2009	530,007	-	14,103	-	11,397	555,507
2008	530,249	-	14,110	-	8,222	552,581
Rob Lourey						
2009	325,000	-	75,000	-	-	400,000
2008	150,000	-	50,000	-	-	200,000
Total 2009	2,794,901	40,071	252,947	-	157,290	3,245,209
Total 2008	2,941,926	118,768	241,352		123,503	3,425,549

Six months to 30 June 2008 pursuant to executive team restructure as described in the 2008 Annual Report

#### Amortised cost to the Company of options issued to Relevant Executives, as required by AASB 124 Related Party Disclosures

P Myers \$nil (2008: -\$100,120), M Simons \$nil (2008: -\$80,096), M Jamieson \$nil (2008: -\$12,014),

B Longwell \$nil (2008: -\$50,060), R Herring \$nil (2008: -\$80,096), W Lee \$nil (2008: -\$72,087) and Rob Lourey \$nil (2008: \$nil).

#### Total cost to Company after inclusion of the amortised cost of options

P Myers \$706,387 (2008: \$607,220), M Simons \$943,795 (2008: \$783,775), M Jamieson \$nil (2008: \$240,655),

B Longwell \$nil (2008: \$246,069), R Herring \$639,520 (2008: \$472,863), W Lee \$555,507 (2008: \$480,494) and

R Lourey \$400,000 (2008: \$200,000).

Total cost to Company in 2009 for all Relevant Executives other than the Chief Executive \$3,245,209 (2008: \$3,031,076).

#### Equity instrument disclosures relating to Directors and Relevant Executives

The key terms and conditions of each grant of options affecting remuneration of Directors and Relevant Executives in this or future reporting periods are as follows:

Grant date	Expiry date	Exercise price	Value per option at grant date	Date first exercisable (subject to performance hurdles)
2 May 2006	2 May 2011	\$4.99	\$0.80	2 May 2009
2 June 2008	2 June 2013	\$3.93	\$0.55	2 June 2011

In respect of the options issued during 2006, the minimum performance hurdles have not been satisfied as at 31 December 2009 and they are not likely to be achieved during the remaining life of the options.

In respect of the options issued during 2008, the performance hurdles cannot first be tested until the audited accounts for the 2010 financial year have been finalised.

#### **Optionholdings**

Options granted to Directors and Relevant Executives for the year ended 31 December 2009 are shown in the table below.

	Balance at start of the year	Expired	Exercised	Balance at end of the year	Options vested during the year	Vested and exercisable at end of the year
Directors of APN Ne	ws & Media Limited					
BMA Hopkins	2,500,000	(1,000,000)	-	1,500,000	-	-
Total Directors	2,500,000	(1,000,000)	-	1,500,000	-	-
Relevant Executives						
P Myers	1,200,000	(200,000)	-	1,000,000	-	-
M Simons	1,040,000	(240,000)	-	800,000	-	-
R Herring	1,040,000	(240,000)	-	800,000	-	-
W Lee	800,000	-	-	800,000	-	-
R Lourey	200,000	-	-	200,000	-	-
Total Relevant						
Executives	4,280,000	(680,000)	-	3,600,000	-	-

Directors not specified in the above table hold no options.

#### Value of options exercised and shares issued

No ordinary shares in the Company were issued as a result of the exercise of options by any Director of APN News & Media Limited or any Relevant Executive of the consolidated entity during the year.

#### **Shareholding information**

The number of ordinary shares in the Company held by each Director of APN News & Media Limited and each of the Relevant Executives for the year ended 31 December 2009, including their related parties, is set out below:

	Balance at start of the year	Received on exercise of options	Other changes	Balance at end of the year <sup>1</sup>	
Directors of APN News & Media Limited					
GK O'Reilly	20,000	-	-	20,000	
AE Harris	580,956 <sup>2</sup>	-	140,319	721,275 <sup>2</sup>	
BMA Hopkins	1,023,330	-	427,920	1,451,250	
DJ Buggy	-	-	-	-	
PP Cody	105,024	-	(474)	104,550	
PM Cosgrove	100,000	-	20,000	120,000	
VC Crowley (appointed 5 March 2009)	760,404	-	-	760,404	
KJ Luscombe	55,876	-	11,176	67,052	
JH Maasland	-	-	-	-	
AC O'Reilly	1,000,000	-	-	1,000,000	
S Atkinson (retired 5 May 2009)	13,022	-	-	13,022	
LP Healy (retired 5 May 2009)	581,112	-	-	581,112	
Relevant Executives					
P Myers	210,000	-	17,000	227,000	
M Simons	55,000	-	-	55,000	
R Herring	20,000	-	4,000	24,000	
W Lee	-	-	-	-	
R Lourey		-		-	

Or as at retirement date.

The information provided in the above table is based on information known to the Directors and Relevant Executives of the Company.

In relation to any holdings of related parties (as defined in AASB 124 Related Party Disclosures), the Directors and Relevant Executives have no control or influence over the financial affairs of the related parties to substantiate their holdings.

#### Loans to Directors and Relevant Executives

There are no loans made to Directors of the Company or Relevant Executives.

#### Other transactions with Directors and Relevant Executives

Details of other transactions with Directors and Relevant Executives are provided in note 25 to the financial statements.

#### 11. SHAREHOLDINGS AND OPTIONS

Note 15 to the financial statements contains details of the following:

- the number of unissued shares of APN News & Media Limited under option at 31 December 2009; and
- shares issued during the financial year as a result of the exercise of options.

The Remuneration Report contains details of shareholdings of the Directors and Relevant Executives as at 31 December 2009. No options were granted since the end of the financial year.

In addition, Mr AE Harris is a Director of a trustee company which holds 403,078 shares (31 December 2008: 335,898) for the benefit of other

#### 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The parent entity's Constitution provides for an indemnity for Directors against any liability incurred by a Director in their capacity as an officer. Under the Corporations Act 2001, this indemnity does not extend to a liability to the parent entity or a related body corporate of the parent entity, a liability for a pecuniary penalty or compensation order under certain provisions of the Corporations Act 2001 or a liability that is owed to someone other than the parent entity or a related body corporate of the parent entity which did not arise out of conduct in good faith.

#### 13. INSURANCE OF DIRECTORS AND OFFICERS

The parent entity has paid for an insurance policy for the benefit of all persons who are or have been Directors or officers of the parent entity or the consolidated entity against liabilities incurred during the financial year. The insured persons include current and former Directors, officers and company secretaries of the parent entity and the consolidated entity. The insurance policy specifically prohibits the disclosure of the nature of the liability covered and the premium paid.

#### 14. ENVIRONMENTAL REGULATION

The Directors recognise the importance of environmental and occupational health and safety issues. The Directors are committed to compliance with all relevant laws and regulations to ensure the protection of the environment, the community and the health and safety of employees. The operations of the consolidated entity are not subject to any particular and significant environmental regulation under the law of the Commonwealth of Australia or any of its states or territories, or New Zealand.

#### 15. ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in this report and the financial report. Amounts in this report and the financial report have been rounded off to the nearest thousand dollars, or in certain cases to the nearest dollar, in accordance with that Class Order.

#### 16. CLASS ORDERS

The Company has utilised the following Class Orders in the financial report and this report:

- Class Order 98/1418 relieving wholly-owned entities from preparing financial and directors' reports; and
- Class Order 98/2395 allowing transfer of information from this report to other parts of the Annual Report.

#### 17. INFORMATION ON DIRECTORS

Director	Qualifications	Responsibility
GK O'Reilly	BScBA (Hons). Mr O'Reilly was appointed to the Board in 2004. He has been Group Chief Executive Officer of Independent News & Media PLC since May 2009, having served as its Group Chief Operating Officer since December 2001. He joined the international media group in 1993 and has held various roles. He formerly worked in London for the global advertising group DDB Needham. In the late 80s, he also worked in stockbroking in London and Asia. He is President of the WAN-IFRA, the World Association of Newspapers and News Publishers, Chairman of Dromoland Castle Hotel and serves on the Board of Independent News & Media PLC (since May 1997), Jagran Prakashan Limited (India), PT Abdi Bangsa (Indonesia), Norkom PLC, TVC PLC, and numerous charitable foundations including the Ireland Funds.	Non-Executive Chairman of the Board of Directors, Chairman of Nomination Committee, Chairman of Allotment Committee, Chairman of Options Committee, Member of Remuneration Committee
AE Harris AC	EINST.D, FAIM, FAICD. Mr Harris was Managing Director and Chief Executive Officer of the Ampol Group from 1977 to 1987 and Chairman of Australian Airlines from 1987 to 1992. Mr Harris has been a Board Member of the Company since March 1992 and Deputy Chairman since December 1994. He is currently Chairman of Thakral Holdings (Director since 1994) and the Australian Radio Network and President of St Vincent's Clinic Foundation. He is Life Governor of the Melanoma Foundation and a Life Member of the Australian Sports Commission. He was Chairman of the Zoological Parks Board of NSW from 1973 to 1990. Mr Harris started his career as a broadcaster and journalist with the Macquarie Broadcasting Service and he is a former Commissioner of the ABC. He was Trustee for the Walkley Awards from 1976 to 1980. He was previously Chairman of Gazal Corporation Limited (Director 1989 to 2004) and Deputy Chairman of Metcash Limited (Director 1994 to 2007).	Non-Executive Director, Deputy Chairman, Chairman of Remuneration Committee, Member of Audit Committee
BMA Hopkins	BA. Mr Hopkins was appointed Chief Executive in August 2002 and has been a Board Member since that time. He has over 20 years' experience managing media businesses in a number of countries. He is a Freeman of the City of London, Honorary Vice President of the British Vascular Foundation, Patron of the European Australian Business Council, a Governor of The Australian Ireland Fund, a member of the Board of the Australian Chamber Orchestra and Chairman of The Newspaper Works (the Australian Newspaper Industry Body). He was previously a Director of Independent News & Media PLC from April 1990 to November 2008.	Allotment and Options
DJ Buggy	BComm, FCA. Mr Buggy has been a Board Member since October 2003. A chartered accountant, he was appointed Chief Financial Officer and Director of Independent News & Media PLC in 2002. He joined Independent News & Media PLC in 1996 as Group Finance Manager and was appointed Group Financial Controller in 1999. Mr Buggy was previously audit manager with an international accounting firm. He is also a Director of a number of Independent News & Media PLC subsidiaries, including Independent News & Media (Australia) Limited, News & Media NZ Limited and Independent News & Media (South Africa) Pty Limited.	Non-Executive Director, Member of Audit Committee
PP Cody	Mr Cody was appointed to the Board in 2003. Mr Cody founded Cody Outdoor Australasia and was formerly the Chief Executive of APN Outdoor, after selling Cody Outdoor to APN in 2001. Mr Cody has more than 27 years' experience in the advertising industry. Mr Cody founded Macro Wholefoods Market, Australia's largest organic and natural food retailer. In 2009 Mr Cody sold 85% of the business to Woolworths Australia. Mr Cody is a Life Governor and Director of The Australian Ireland Fund. During 1999-2007, Mr Cody was a non–executive Director of Adcorp Australia Ltd. Prior to that he was a Trustee of the Gallery of NSW.	Non-Executive Director, Member of Nomination Committee
PM Cosgrove	Mr Cosgrove has been a Board Member since December 2003. Founder of the Buspak group of companies in Australia, New Zealand and Hong Kong, he has more than 20 years' experience in the outdoor advertising industry. He is non-executive Chairman of Buspak Hong Kong (since June 2003), as well as non-executive Deputy Chairman of Clear Media Limited (Director since April 2001), which is listed on the Stock Exchange of Hong Kong. He is Chairman of GlobeCast Australia Pty Limited (since June 2002), a broadcasting company. He was previously a Director of Independent News & Media PLC (April 1988 to June 2009).	Non-Executive Director, Member of Nomination Committee

#### 17. INFORMATION ON DIRECTORS (continued)

Director	Qualifications  PA FCA McCondenses and a start and a star Resulting March 2000. He was Chief Fee action of	Responsibility
VC Crowley (appointed 5 March 2009)	BA, FCA. Mr Crowley was appointed to the Board in March 2009. He was Chief Executive of APN from 2000 to 2002, having previously held the position of Finance Director from 1996 to 2000. A chartered accountant, he joined Independent News & Media PLC in 1990, became a Director in 1997 and was appointed Chief Executive of Independent News & Media – Ireland in August 2002. In June 2009, he retired from the Board of Independent News Media PLC. In December 2009, he was appointed Group Chief Operating Officer of Independent News & Media PLC. Mr Crowley was previously an audit manager with an international accountancy firm. He is also a Director of a number of Independent News & Media PLC subsidiaries and associated companies.	Member of Remuneration
KJ Luscombe AM	FAICD, FAIM, CPM. Mr Luscombe has been a Board Member since October 1997. Following a successful corporate career in Australia and the USA, and board roles in several South East Asian companies, he founded a marketing and research consultancy in 1976. In 1980, he started the advertising agency Luscombe & Partners, sold it to Clemenger BBDO in 1998, and joined their Board. He is Executive Chairman of the management consultancy Growth Solutions Group. He is also a Director of Landis+Gyr (since September 2002) and Melbourne Food and Wine (since August 2004). In 1998, he was appointed Adjunct Professor at the Graduate School of Management, Swinburne University. He was the recipient of the 2001 Sir Charles McGrath Award for marketing excellence.	Member of Audit and Remuneration
JH Maasland	MA (Cantab). Mr Maasland has been a Board Member since December 2003. Mr Maasland has extensive business experience in the media industry and in New Zealand, and serves on a number of private and public company boards. He is Chairman of Hellaby Holdings Ltd (Director since April 2008) and a Director of Delegat's Group Ltd (since October 2004). He is a member of the Council of AUT University and was also Chairman and a Trustee of the Royal New Zealand Ballet (October 1998 to October 2007) and Chairman of Auckland International Airport Ltd (October 2006 to November 2007).	Chairman of Audit Committee, Member of Nomination
AC O'Reilly	BA (Hons) Oxon. Mr O'Reilly is the Founder and Chief Executive Officer of Landis & Gyr Holdings (formerly Bayard Group). He was Chief Executive of APN from May 1996 to July 2000, having previously held the position of Deputy Chief Executive. Mr O'Reilly has been a Board Member since 1988. He is on the Board of The Australian Ireland Fund and was previously a Director of Independent News & Media PLC (May 1992 to June 2009) and IRESS Market Technology Ltd (October 2001 to September 2006).	Member of Nomination

#### 18. DIRECTORS' MEETINGS

The number of meetings of the full Board of Directors and Board Committees held in the period each Director held office during the financial year and the number of those meetings attended by each Director were:

Director Board of Directors		Audit Committee		Remuneration Committee		Nomination Committee		
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
GK O'Reilly	7	7					2	2
AE Harris	7	7	5	5	1	1		
BMA Hopkins	7	7						
S Atkinson	2	$2^{1}$					2	2
DJ Buggy	7	7	5	4				
PP Cody	7	7					1	$1^1$
PM Cosgrove	7	7					1	$1^1$
VC Crowley	6	$6^{1}$						
LP Healy	2	$2^1$			1	1		
KJ Luscombe	7	6	5	5			1	$1^{1}$
JH Maasland	7	6	5	5	1	1	2	2
AC O'Reilly	7	4						

Details of changes to Board and Committee members during the period are included on pages 16 to 17 in Corporate Governance. S Atkinson and LP Healy retired from the Board of Directors on 5 May 2009. VC Crowley was appointed to the Board of Directors on 5 March 2009.

One meeting of the Allotment Committee was held and was attended by GK O'Reilly and BMA Hopkins. Three meetings of a Board Committee formed to review and approve the half-yearly and annual financial statements, dividend payments, 2008 Annual Report and Notice of Meeting were held and were attended by AE Harris (3) and BMA Hopkins (3). Two meetings of the Strategy & Development Committee were held and were attended by GK O'Reilly (2), AE Harris (2), BMA Hopkins (2), DJ Buggy (1) and KJ Luscombe (1). Two meetings of the Succession Planning Committee were held and were attended by GK O'Reilly (2), PP Cody (2), PM Cosgrove (2), KJ Luscombe (2). One meeting of a Board Committee formed in relation to the Retail Entitlement Offer was held and was attended by AE Harris, BMA Hopkins and VC Crowley. Two meetings of a Board Committee formed in relation to the finalisation of an asset financing facility were held and were attended by AE Harris (2) and BMA Hopkins (2).

#### 19. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of a court under section 237 of the Corporations Act 2001.

#### 20. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, follows immediately after this Directors' Report.

#### 21. NON-AUDIT SERVICES

Full details of the amounts paid or payable to the auditors for audit and non-audit services provided, during the financial year, are set out in note 4 to the financial statements.

During the financial year, the Company's auditor, PricewaterhouseCoopers, received or is due to receive \$825,000 for the provision of non-audit services. In addition, KPMG (auditors of a controlled entity) received or is due to receive \$281,000 for the provision of non-audit services.

The Company auditor has provided the Directors with an Auditor's Independence Declaration in relation to the audit, a copy of which follows immediately after this Directors' Report. The auditor has also confirmed to the Directors that it has in place independence quality control systems which support its assertions in relation to its professional and regulatory independence as auditor of the consolidated entity (including the requirements of APES 110 Code of Ethics for Professional Accountants).

The Audit Committee has reviewed the fees provided to the auditor for non-audit services in the context of APES 110, the requirements of the Audit Committee Charter and general corporate governance practices adopted by the consolidated entity.

# DIRECTORS' REPORT

Based on the above factors, the Audit Committee has no reason to believe that there has been any compromise in the independence of the auditor due to the provision of these non-audit services and has advised the Board accordingly.

In accordance with the advice of the Audit Committee, the Directors are therefore satisfied that the provision of non-audit services, during the financial year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and that the provision of non-audit services during the financial year did not compromise the auditor independence requirements of the Corporations Act 2001.

#### 22. QUALIFICATIONS AND EXPERIENCE OF COMPANY SECRETARY

#### **Yvette Lamont** Group General Counsel and Company Secretary

Yvette Lamont is a Solicitor who was admitted to the Supreme Court of NSW in 1987 and the High Court of Australia in 1988.

Ms Lamont has been in her current role with the Company since November 1998 and was previously the General Counsel of the publicly listed pay television company Australis Media Limited, was a Senior Associate with the law firm Allens Arthur Robinson in the Media and Technology Group and was a Solicitor with the law firm Boyd, House & Partners.

She is a Committee Member of the Media and Communications Committee of the Law Council of Australia, is a Member of the Australian Institute of Company Directors and has attended courses at the Chartered Secretaries Institute.

This report is issued in accordance with a resolution of the Directors.

G K O'Reilly Chairman

**BMA Hopkins** Director

Sydney 26 March 2010



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### **Auditor's Independence Declaration**

As lead auditor for the audit of APN News & Media Limited for the year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of APN News & Media Limited and the entities it controlled during the period.

Steven Bosiljevac

Partner

PricewaterhouseCoopers

Sydney 26 March 2010

# INCOME STATEMENTS APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

for the year ended 31 Dece	ember 2009
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for the year chief 31 December 2007	37		_			
	Note	Consolidated		Parent entity		
		2009	2008	2009	2008	
		\$'000	\$'000	\$'000	\$'000	
Revenue before finance income	2	1,030,666	1,193,398	-	-	
Other income (including exceptional gains)	2	19,643	28,530	-	207,515	
Expenses before finance costs (including impairment and other exceptional costs)	2	(870,092)	(1,137,828)	(4,568)	(4,536)	
Finance income	2	1,689	3,300	72,692	18,222	
Finance costs	2	(52,234)	(78,833)	-	(9)	
Net finance costs		(50,545)	(75,533)	72,692	18,213	
Share of profits of associates	23	3,254	6,484	-		
Profit before income tax expense		132,926	15,051	68,124	221,192	
Income tax expense	5	(14,624)	(6,275)	(20,408)	(3,601)	
Profit from continuing operations		118,302	8,776	47,716	217,591	
Loss from discontinued operations	32	(1,830)	(2,954)	-		
Profit for the year		116,472	5,822	47,716	217,591	
Profit attributable to minority interest		(23,844)	(29,794)			
Profit/(loss) attributable to owners of the parent entity	16	92,628	(23,972)	47,716	217,591	
EPS from continuing operations Basic/diluted EPS	26	17.0 cents	(4.2) cents			
EPS from continuing and discontinued operations						
Basic/diluted EPS	26	16.7 cents	(4.7) cents			
Reconciliation of Profit						
Profit/(loss) attributable to owners of the parent entity		92,628	(23,972)			
Less impact of:						
Exceptional items, net of tax and minority interest		(287)	164,073			
Loss from discontinued operations		1,830	2,954			
Profit before exceptional items and discontinued operations		94,171	143,055			
Basic/diluted EPS from profit before exceptional items and discontinued operations		17.0 cents	28.3 cents			

# STATEMENTS OF COMPREHENSIVE INCOME APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

### for the year ended 31 December 2009

	Note	Consolidated		Parent en	Parent entity		
		2009	2008	2009	2008		
		\$'000	\$'000	\$'000	\$'000		
Profit for the year		116,472	5,822	47,716	217,591		
Adjustment to tax on revaluation of investments	16	(2,217)	-	-	-		
Revaluation of land and buildings	16	11,047	-	-	-		
Revaluation of investments	16	-	(5,118)	-	-		
Exchange differences on translation of foreign operations	16	(31,900)	(32,985)	-	-		
Change in fair value of hedges	16	3,289	(2,056)	-	-		
Exchange and other differences applicable to minority interest	16	(6,360)	(4,115)	-	-		
Other comprehensive income, after tax		(26,141)	(44,274)	-	-		
Total comprehensive income		90,331	(38,452)	47,716	217,591		
Total comprehensive income attributable to:							
Owners of the parent entity		71,771	(64,129)	47,716	217,591		
Minority interest		18,560	25,677	-	-		
		90,331	(38,452)	47,716	217,591		

### as at 31 December 2009

	Note	Consolidated		Parent e	entity
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	27	32,727	58,721	-	545
Receivables	6	176,640	195,980	-	81
Inventories	7	9,569	20,476	-	-
Tax assets	11	754	906	-	-
Other	11	23,967	31,964	25	26
		243,657	308,047	25	652
Assets held for sale	32	15,072	-	-	-
Total current assets		258,729	308,047	25	652
Non-current assets					
Receivables	6	4,224	4,895	954,644	877,060
Other financial assets	8	27,130	22,628	205,263	209,625
Investments accounted for using the equity method	23	39,190	35,384	-	-
Property, plant and equipment	9	266,934	290,909	-	-
Intangible assets	10	1,604,436	1,661,603	-	-
Deferred tax assets	11	-	-	16,470	14,068
Total non-current assets		1,941,914	2,015,419	1,176,377	1,100,753
Total assets		2,200,643	2,323,466	1,176,402	1,101,405
Current liabilities					
Payables	12	118,327	150,298	-	9
Derivative financial instruments	12	814	5,770	-	-
Interest bearing liabilities	13	20,280	155,620	-	-
Current tax provisions	14	6,267	6,480	2,599	596
Provisions	14	7,760	20,639	-	-
		153,448	338,807	2,599	605
Liabilities directly associated with assets held for sale	32	10,356	-	-	-
Total current liabilities		163,804	338,807	2,599	605
Non-current liabilities					
Payables	12	3,272	4,528	71,971	91,847
Interest bearing liabilities	13	762,700	807,567	-	-
Deferred tax liabilities	11	113,310	121,586	-	-
Provisions	14	1,021	1,586	-	-
Total non-current liabilities		880,303	935,267	71,971	91,847
Total liabilities		1,044,107	1,274,074	74,570	92,452
Net assets		1,156,536	1,049,392	1,101,832	1,008,953
Equity					
Contributed equity	15	1,024,815	920,802	1,024,815	920,802
Reserves	16	(43,550)	(28,268)	5,181	5,181
(Accumulated losses)/retained profits	16	(48,172)	(76,375)	71,836	82,970
Total parent entity interest		933,093	816,159	1,101,832	1,008,953
Minority interest	16	223,443	233,233	-	-
Total equity		1,156,536	1,049,392	1,101,832	1,008,953

# STATEMENTS OF CHANGES IN EQUITY APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

for the year ended 31 December 2009							
	Note	Contributed	Reserves	Accumulated	Total	Minority	Total
		equity \$'000	\$'000	losses \$'000	\$'000	interest \$'000	equity \$'000
		φ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Consolidated							
Total equity at beginning of the year 2009		920,802	(28,268)	(76,375)	816,159	233,233	1,049,392
Total comprehensive income		-	(20,857)	92,628	71,771	18,560	90,331
Transactions with equity holders							
Transfer on adoption of AASB 9	16	-	5,575	(5,575)	-	-	-
Contributions of equity	15	104,013	-	-	104,013	-	104,013
Dividends paid	17	-	-	(58,850)	(58,850)	-	(58,850)
Equity transactions with minority interests		-	-			(28,350)	(28,350)
Total equity at end of the year 2009		1,024,815	(43,550)	(48,172)	933,093	223,443	1,156,536
Total equity at beginning of the year 2008		916,572	13,467	101,772	1,031,811	243,959	1,275,770
Total comprehensive income		-	(40,157)	(23,972)	(64,129)	25,677	(38,452)
Transactions with equity holders							
Option expense	16	-	(1,578)	-	(1,578)	-	(1,578)
Contributions of equity	15	4,230	-	-	4,230	-	4,230
Dividends paid	17	-	-	(154,175)	(154,175)	-	(154,175)
Equity transactions with minority interests		-	-	-		(36,403)	(36,403)
Total equity at end of the year 2008		920,802	(28,268)	(76,375)	816,159	233,233	1,049,392
Parent Entity							
Total equity at beginning of the year 2009		920,802	5,181	82,970	1,008,953	-	1,008,953
Total comprehensive income		-	-	47,716	47,716	-	47,716
Transactions with equity holders							
Contributions of equity	15	104,013	-	-	104,013	-	104,013
Dividends paid	17	-	-	(58,850)	(58,850)	-	(58,850)
Total equity at end of the year 2009		1,024,815	5,181	71,836	1,101,832		1,101,832
Total equity at beginning of the year 2008		916,572	6,759	19,554	942,885	-	942,885
Total comprehensive income		-	-	217,591	217,591	-	217,591
Transactions with equity holders							
Option expense	16	-	(1,578)	-	(1,578)	-	(1,578)
Contributions of equity	15	4,230	-	-	4,230	-	4,230
Dividends paid	17		-	(154,175)	(154,175)	-	(154,175)
Total equity at end of the year 2008		920,802	5,181	82,970	1,008,953	-	1,008,953

# STATEMENTS OF CASH FLOWS APPLIED AND CONTROLLED ENTITIES

## for the year ended 31 December 2009

Solution   Solution		Note	Consolidated		Parent entity	
Receipts from customers			2009	2008	2009	2008
Receips from customers			\$'000	\$'000	\$'000	\$'000
Payments for suppliers and employees         (986,220)         (1,134,913)         (1,121)         (6,444)           Dividends received         1,689         3,300         72,692         18,222           Increst received         (48,420)         (33,655)         2.0         18,222           Increst spaid (1,121)         (48,834)         30,679         20,807         43,835           Net cash inflows from operating activities         27         119,374         173,942         50,964         223,870           Cash flows from investing activities           Payments for property, plant and equipment         (17,111)         (62,761)         2.            Payments for property, plant and equipment         (449)         (4,637)             Payments for other intangible assets         (543)         (3,752)             Payments for other intangible assets         (246)         (469)             Payments for property, plant and equipment         4,707         20,008             Payments for protecks from sale of associates         2,670	Cash flows from operating activities					
Payments for suppliers and employees         (986,220)         (1,134,913)         (1,121)         (6,444)           Dividends received         1,689         3,300         72,692         18,222           Increst received         (48,420)         (33,655)         2.0         18,222           Increst spaid (1,121)         (48,834)         30,679         20,807         43,835           Net cash inflows from operating activities         27         119,374         173,942         50,964         223,870           Cash flows from investing activities           Payments for property, plant and equipment         (17,111)         (62,761)         2.            Payments for property, plant and equipment         (449)         (4,637)             Payments for other intangible assets         (543)         (3,752)             Payments for other intangible assets         (246)         (469)             Payments for property, plant and equipment         4,707         20,008             Payments for protecks from sale of associates         2,670	Receipts from customers		1,170,414	1,418,808	_	3
Dividends received					(1.121)	
Interest received	Dividends received				-	,
Interest paid	Interest received				72,692	18,222
Income taxes (paid)/refunded   (18.834)   (30,679)   (20,807)   4.383   Net cash inflows from operating activities	Interest paid				-	
Net cash inflows from operating activities         27         119,374         173,942         50,964         223,670           Cash flows from investing activities         Image: Color of the page 10 of the page 12 of the page 12 of the page 12 of the page 12 of the page 13 of the page 14 of the					(20,807)	
Payments for property, plant and equipment   (17,111)   (62,761)   -   -   -		27				223,670
Payments for goodwill   (159) (3,651)   -   -   -   -   -	Cash flows from investing activities					
Payments for software	Payments for property, plant and equipment		(17,111)	(62,761)	-	-
Payments for software			(159)	(3,651)	-	-
Payments for other intangible assets   1,543   1,3752   -   -   -   -   -   -   -   -   -			(449)	(4,637)	_	-
Payments for investments   (2,646) (456)   -   -   -   -			(543)	* ' '	_	-
Payments for purchase of controlled entities   22					-	_
Proceeds from sale of property, plant and equipment         4,707         20,908         -         -           Proceeds from sale of associates         2,670         -         -         -           Proceeds from sale of controlled entities         262         -         -         -           Other         262         -         -         -           Net cash inflows/(outflows) from investing activities         10,358         (60,220)         -         -           Cash flows from financing activities         50,202         -         -         -         -           Loans repaid by/(advanced to):         50,202         -	•	22	-		-	_
Proceeds from sale of controlled entities         23,627         -<	Proceeds from sale of property, plant and equipment		4,707		-	-
Other         262         -         -         -         -           Net cash inflows/(outflows) from investing activities         10,358         (60,220)         -         -           Cash flows from financing activities           Loans repaid by/(advanced to):         -         -         -           Director related entities         (178)         (559)         -         -           Associates         2,962         (2,656)         -         -         -           Other entities         1,886         1,377         (95,628)         (73,692)         - <td>Proceeds from sale of associates</td> <td></td> <td>2,670</td> <td>-</td> <td>-</td> <td>-</td>	Proceeds from sale of associates		2,670	-	-	-
Net cash inflows/(outflows) from investing activities         10,358         (60,220)         -         -           Cash flows from financing activities           Loans repaid by/(advanced to):         50         50         -	Proceeds from sale of controlled entities		23,627	-	-	-
Cash flows from financing activities         Loans repaid by/(advanced to):       178       (559)       -       -         Director related entities       2,962       (2,656)       -       -         Associates       2,962       (2,656)       -       -         Other entities       1,886       1,377       (95,628)       (73,692)         Proceeds from borrowings       368,326       295,059       -       -         Repayments of borrowings       (536,103)       (250,348)       -       -         Payments for borrowing costs       (3,092)       (1,511)       -       -         Payments for borrowing costs       (945)       (103)       -       -         Proceeds from issues of shares       96,464       1,832       96,464       1,832         Dividends paid to shareholders       (52,145)       (151,777)       (52,145)       (151,777)         Net payments to minority interest       (28,350)       (36,405)       -       -         Net cash outflows from financing activities       (151,175)       (145,091)       (51,309)       (223,637)         Change in cash and cash equivalents       (21,443)       (31,369)       (545)       33         Cash and cash equivalents at be	Other		262	-	-	-
Loans repaid by/(advanced to):   Director related entities	Net cash inflows/(outflows) from investing activities		10,358	(60,220)	-	-
Director related entities       (178)       (559)       -       -         Associates       2,962       (2,656)       -       -         Other entities       1,886       1,377       (95,628)       (73,692)         Proceeds from borrowings       368,326       295,059       -       -         Repayments of borrowings       (536,103)       (250,348)       -       -         Payments for borrowing costs       (3,092)       (1,511)       -       -         Principal repayment under finance leases       (945)       (103)       -       -       -         Proceeds from issues of shares       96,464       1,832       96,464       1,832         Dividends paid to shareholders       (52,145)       (151,777)       (52,145)       (151,777)         Net payments to minority interest       (28,350)       (36,405)       -       -         Net cash outflows from financing activities       (151,175)       (145,091)       (51,309)       (223,637)         Change in cash and cash equivalents       58,721       88,814       545       512         Effect of exchange rate changes       4,551       1,276       -       -	Cash flows from financing activities					
Associates Other entities 1,886 1,377 (95,628) (73,692) Proceeds from borrowings 368,326 295,059	Loans repaid by/(advanced to):					
Other entities       1,886       1,377       (95,628)       (73,692)         Proceeds from borrowings       368,326       295,059       -       -         Repayments of borrowings       (536,103)       (250,348)       -       -         Payments for borrowing costs       (3,092)       (1,511)       -       -         Principal repayment under finance leases       (945)       (103)       -       -         Proceeds from issues of shares       96,464       1,832       96,464       1,832         Dividends paid to shareholders       (52,145)       (151,777)       (52,145)       (151,777)         Net payments to minority interest       (28,350)       (36,405)       -       -         Net cash outflows from financing activities       (151,175)       (145,091)       (51,309)       (223,637)         Change in cash and cash equivalents       (21,443)       (31,369)       (545)       33         Cash and cash equivalents at beginning of the year       58,721       88,814       545       512         Effect of exchange rate changes       (4,551)       1,276       -       -       -	Director related entities		(178)	(559)	-	-
Proceeds from borrowings       368,326       295,059       -       -         Repayments of borrowings       (536,103)       (250,348)       -       -         Payments for borrowing costs       (3,092)       (1,511)       -       -         Principal repayment under finance leases       (945)       (103)       -       -         Proceeds from issues of shares       96,464       1,832       96,464       1,832         Dividends paid to shareholders       (52,145)       (151,777)       (52,145)       (151,777)         Net payments to minority interest       (28,350)       (36,405)       -       -         Net cash outflows from financing activities       (151,175)       (145,091)       (51,309)       (223,637)         Change in cash and cash equivalents       (21,443)       (31,369)       (545)       33         Cash and cash equivalents at beginning of the year       58,721       88,814       545       512         Effect of exchange rate changes       (4,551)       1,276       -       -	Associates		2,962	(2,656)	-	-
Repayments of borrowings       (536,103)       (250,348)       - <td>Other entities</td> <td></td> <td>1,886</td> <td>1,377</td> <td>(95,628)</td> <td>(73,692)</td>	Other entities		1,886	1,377	(95,628)	(73,692)
Payments for borrowing costs       (3,092)       (1,511)       -       -         Principal repayment under finance leases       (945)       (103)       -       -         Proceeds from issues of shares       96,464       1,832       96,464       1,832         Dividends paid to shareholders       (52,145)       (151,777)       (52,145)       (151,777)         Net payments to minority interest       (28,350)       (36,405)       -       -         Net cash outflows from financing activities       (151,175)       (145,091)       (51,309)       (223,637)         Change in cash and cash equivalents       (21,443)       (31,369)       (545)       33         Cash and cash equivalents at beginning of the year       58,721       88,814       545       512         Effect of exchange rate changes       (4,551)       1,276       -       -       -	Proceeds from borrowings		368,326	295,059	-	-
Principal repayment under finance leases       (945)       (103)       -       -         Proceeds from issues of shares       96,464       1,832       96,464       1,832         Dividends paid to shareholders       (52,145)       (151,777)       (52,145)       (151,777)         Net payments to minority interest       (28,350)       (36,405)       -       -         Net cash outflows from financing activities       (151,175)       (145,091)       (51,309)       (223,637)         Change in cash and cash equivalents       (21,443)       (31,369)       (545)       33         Cash and cash equivalents at beginning of the year       58,721       88,814       545       512         Effect of exchange rate changes       (4,551)       1,276       -       -       -	Repayments of borrowings		(536,103)	(250,348)	-	-
Proceeds from issues of shares         96,464         1,832         96,464         1,832           Dividends paid to shareholders         (52,145)         (151,777)         (52,145)         (151,777)           Net payments to minority interest         (28,350)         (36,405)         -         -           Net cash outflows from financing activities         (151,175)         (145,091)         (51,309)         (223,637)           Change in cash and cash equivalents         (21,443)         (31,369)         (545)         33           Cash and cash equivalents at beginning of the year         58,721         88,814         545         512           Effect of exchange rate changes         (4,551)         1,276         -         -	Payments for borrowing costs		(3,092)	(1,511)	-	-
Dividends paid to shareholders       (52,145)       (151,777)       (52,145)       (151,777)         Net payments to minority interest       (28,350)       (36,405)       -       -         Net cash outflows from financing activities       (151,175)       (145,091)       (51,309)       (223,637)         Change in cash and cash equivalents       (21,443)       (31,369)       (545)       33         Cash and cash equivalents at beginning of the year       58,721       88,814       545       512         Effect of exchange rate changes       (4,551)       1,276       -       -	Principal repayment under finance leases		(945)	(103)	-	-
Net payments to minority interest         (28,350)         (36,405)         -         -           Net cash outflows from financing activities         (151,175)         (145,091)         (51,309)         (223,637)           Change in cash and cash equivalents         (21,443)         (31,369)         (545)         33           Cash and cash equivalents at beginning of the year         58,721         88,814         545         512           Effect of exchange rate changes         (4,551)         1,276         -         -	Proceeds from issues of shares		96,464	1,832	96,464	1,832
Net cash outflows from financing activities         (151,175)         (145,091)         (51,309)         (223,637)           Change in cash and cash equivalents         (21,443)         (31,369)         (545)         33           Cash and cash equivalents at beginning of the year         58,721         88,814         545         512           Effect of exchange rate changes         (4,551)         1,276         -         -	Dividends paid to shareholders		(52,145)	(151,777)	(52,145)	(151,777)
Change in cash and cash equivalents       (21,443)       (31,369)       (545)       33         Cash and cash equivalents at beginning of the year       58,721       88,814       545       512         Effect of exchange rate changes       (4,551)       1,276       -       -	Net payments to minority interest		(28,350)	(36,405)	-	-
Cash and cash equivalents at beginning of the year 58,721 88,814 545 512 Effect of exchange rate changes (4,551) 1,276 -	Net cash outflows from financing activities		(151,175)	(145,091)	(51,309)	(223,637)
Effect of exchange rate changes (4,551) 1,276 -	Change in cash and cash equivalents		(21,443)	(31,369)	(545)	33
Effect of exchange rate changes (4,551) 1,276 -	Cash and cash equivalents at beginning of the year		58,721	88,814	545	512
Cash and cash equivalents at end of the year 27 32,727 58,721 - 545			-			
	Cash and cash equivalents at end of the year	27	32,727	58,721	-	545

Non-cash financing and investing activities

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report also complies with International Financial Reporting Standards.

#### Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of property, plant and equipment and other financial instruments.

#### ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period. Accounting policies and disclosures have been amended to comply with the new requirements of all the new and revised Standards and Interpretations.

The Group has adopted AASB 8 Operating Segments from 1 January 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in amendments to the reportable segments presented. In addition, the segments are reported in a manner that is consistent with the internal reporting provided to key management personnel. Comparative amounts for 2008 have been restated.

The Directors have elected under section 334(5) of the Corporations Act 2001 to early adopt AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9. The Group has applied the transitional provisions contained in AASB 9 and has chosen 31 December 2009 as its date of initial application. In accordance with the transitional provisions, the Group has elected to not restate prior period amounts.

The dominant impact of AASB 9 is in respect of accounting for the Group's investments in equity instruments. All equity instruments are required to be carried at fair value. The standard requires that an election be made as to whether changes in fair value are recorded in the income statement or are taken directly to reserves. This election is made on an asset-by-asset basis and is irrevocable. The impact of adopting AASB 9 has been that an unrealised gain of \$2.1 million has been recognised as other income in the income statement for the year ended 31 December 2009 and that an unrealised loss of \$5.6 million has been transferred from investment revaluation reserve to retained profits at 1 January 2009.

#### STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

As at 31 December 2009, the following standards and interpretations had been issued which are not mandatory for 31 December 2009 reporting periods:

Pronouncements	Title	Operative date
AASB 2008-6	Further amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 July 2009
AASB 2008-8	Amendments to Australian Accounting Standards – eligible hedged items	1 July 2009
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 July 2009
AASB Interpretation 17 and AASB 2008-13	Distribution of non-cash assets to owners	1 July 2009
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2010
AASB 2009-7	Amendments to Australian Accounting Standards	1 July 2009
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions	1 January 2010
AASB 2009-10	Amendments to Australian Accounting Standards – Classification of Rights Issues	1 February 2010

At the date of this report, the Group is unable to reasonably estimate the impact of the adoption of these Standards and Interpretations.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### SIGNIFICANT ACCOUNTING POLICIES

#### (a) PRINCIPLES OF CONSOLIDATION

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the Company and of all subsidiaries of APN News & Media Limited (Company or parent entity) as defined in AASB 127 Consolidated and Separate Financial Statements. APN News & Media Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for each business combination involving the Group (refer note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The effects of all transactions with minority interests are recorded in equity if there is no change in control. Where there is a loss of control, any remaining interest in the entity is remeasured to fair value and a gain or loss is recognised in the income statement. Any losses are allocated to the minority interest in subsidiaries even if the accumulated losses should exceed the minority interest in the individual subsidiary's equity.

Minority interest in the earnings and equity of subsidiaries is shown separately in the consolidated income statement and balance sheet respectively.

#### Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the consolidated financial statements as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

The proportionate interests in assets, liabilities and results of joint ventures have been incorporated in the financial statements under the appropriate headings.

The accounting policies of associates and joint ventures are consistent with the policies adopted by the Group in all material respects.

#### (b) SEGMENT REPORTING

The Group has identified operating segments based on the format of internal reports which are reviewed by key management personnel in assessing performance and in allocating resources.

#### (c) FOREIGN CURRENCY TRANSLATION

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is APN News & Media Limited's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (iii) Group entities

The result and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments are taken to equity. When a foreign operation is sold or a partial disposal occurs, a proportionate share of such exchange differences is recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### (d) REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable and is net of credits, returns and taxes paid. Revenue for services is recorded when the services are provided.

Advertising revenue from Publishing is recognised when a newspaper or magazine is published, from Broadcasting when the advertisement is broadcast and from Outdoor over the period when displayed.

Circulation and printing revenue is recognised when control of the goods passes to the buyer.

Other income includes rental income, profit from the sale of property, plant and equipment and dividends received. These items are recognised when the services have been provided, the control has passed to the purchaser or the Group's right to receive payment has been established.

#### (e) INCOME TAX

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and also adjusted for tax losses utilised in the year.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those enacted tax rates applicable to each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Temporary differences in relation to indefinite life intangible assets are determined with reference to their respective capital gains tax bases in respect of assets for which capital gains tax will apply.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### Tax consolidation – Australia

APN News & Media Limited and its wholly-owned Australian entities have formed a tax consolidated group. Each member of the tax consolidated group accounts for their own current and deferred tax amounts using the 'separate taxpayer within group' approach.

In addition to its own current and deferred tax amounts, APN News & Media Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from available tax losses assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding arrangements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. The amounts receivable/payable under the tax funding arrangements are due upon demand from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (f) LEASES

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Assets acquired under finance leases are included as property, plant and equipment in the balance sheet. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. A corresponding liability is also established and each lease payment is allocated between the liability and finance charges. The interest element is charged to the income statement over the period of the lease.

Leased assets are amortised on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset. Leased assets held at balance date are amortised over periods ranging from one to five years.

Other leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments, excluding contingent payments, are charged to expense on a straight line basis over the period of the lease.

#### (g) ACQUISITIONS OF ASSETS

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent consideration classified as a liability and subsequently remeasured at fair value through the income statement. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Acquisition related costs are expensed as incurred. At acquisition date, the identifiable assets acquired, liabilities assumed and any minority interest in the acquiree are recognised separately from goodwill (refer note 1(m) for goodwill policy). The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. Minority interests in an acquiree are recognised either at fair value or at the minority interest's proportionate share of the aquiree's net assets. This decision is made on an acquisition-by-acquisition basis.

In a business combination acquired in stages, the previously held equity interest in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recorded in the income statement.

#### (h) IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever there is an indication that they may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. Goodwill is allocated to cash generating units for the purpose of impairment testing. Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (i) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are reported within payables in current liabilities on the balance sheet.

### (j) RECEIVABLES AND PAYABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for doubtful debts. Trade receivables are generally settled within 60 days.

Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established where there is objective evidence that the Group will not be able to be collect all amounts due according to the original terms of the receivable. The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the income statement within other expenses. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other income in the income statement.

Trade payables, including accruals not yet billed, are recognised when the consolidated entity becomes obliged to make future payments as a result of a purchase of assets or services. Trade accounts payable are unsecured and are generally settled within 30 days.

#### (k) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date using the first in first out basis. Cost comprises material, labour and an appropriate proportion of fixed and variable overheads. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated cost of completion and the estimated cost necessary to make the sale.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (I) FINANCIAL ASSETS

#### Classification and initial measurement of financial assets

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the income statement which are initially measured at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

#### Financial assets at amortised cost

The Group's debt instruments include trade and other receivables that meet the requirements for measurement at amortised cost (refer note 1(j)) based on the objectives for which they are held and the contractual terms.

#### Financial assets at fair value

Investments in equity instruments are measured at fair value, determined in the manner described in note 30. At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate where gains and losses arising from changes in fair value are recognised, being either in the income statement or in reserves.

Investments in equity instruments at fair value through reserves are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in the investment revaluation reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to retained profits.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

#### (m) INTANGIBLE ASSETS

#### Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified or separately recognised. Goodwill is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is not amortised but rather is subject to periodic impairment testing as described in note 1(h).

Mastheads, being the titles of the newspapers and magazines produced by the consolidated entity, are accounted for as identifiable assets and are brought to account at cost. The Directors believe the mastheads have indefinite lives and accordingly, no amortisation has been provided against the carrying

Australian Accounting Standards state explicitly that an active market does not exist in respect of newspaper mastheads, brands and other assets as such assets are unique. The Board of Directors does not agree that an active market does not exist in respect of newspaper mastheads; however, it has complied with the requirements of the relevant standard to reverse all past revaluation of such assets.

#### (iii) Radio licences – Australia

Commercial radio licences are accounted for as identifiable assets and are brought to account at cost. The Directors believe the licences have indefinite lives and accordingly, no amortisation has been provided against the carrying amount. The commercial radio licences held by the consolidated entity are renewable every five years under the provisions of the Broadcasting Services Act 1992 and the Directors have no reason to believe that the licences will not be renewed from time to time for the maximum period allowable under the Act and without imposition of any conditions.

#### (iv) Radio licences - New Zealand

Commercial radio licences are accounted for as identifiable assets and are brought to account at cost. The New Zealand radio licences expire on 31 March 2011. Ownership of these frequencies reverts to the New Zealand Government at this time. However, the New Zealand Government has agreed that incumbents will have first right of refusal in renewing the licences to 2031 based on an agreed maximum price. Therefore, after making allowance for the cost of renewal, such licences are being amortised on a straight line basis to 31 March 2031.

#### (v) Transit and outdoor advertising systems

Transit and outdoor advertising systems are accounted for as identifiable assets and are brought to account at cost. The Directors believe these assets have indefinite lives and accordingly, no amortisation has been provided against the carrying amount.

#### (vi) Brands

Brands are accounted for as identifiable assets and are brought to account at cost. The Directors have considered the geographic location, legislative environment and legal, technical and other commercial factors likely to impact on the useful lives of the brands and consider that they have indefinite lives. Accordingly, no amortisation has been provided against the carrying amount.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (vii) Indefinite life intangible assets

The Directors consider certain of the consolidated entity's identifiable intangible assets to have indefinite lives due to their established market positions in long-term growth segments, extended existence, regulated environment and demonstrated ability for continued existence notwithstanding the emergence over time of new media platforms.

#### (n) DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Fair value is determined with reference to quoted market prices. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

#### Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### (ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised in the income statement.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

#### Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised in the income statement.

#### (o) PROPERTY, PLANT AND EQUIPMENT

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to revaluation reserves in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

buildings 50 years plant and equipment 3-25 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer note 1(h)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### (p) BORROWINGS

Loans and convertible notes are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of trade and other payables.

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing. These ancillary costs are netted off against the carrying value of borrowings in the balance sheet.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (q) EMPLOYEE BENEFITS

#### Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave, expected to be settled within 12 months from the reporting date are recognised in trade and other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

#### Long service leave (ii)

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with the above paragraph. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (iii) Bonus plans

A liability for bonuses is recognised in trade and other payables when there is an expectation of settlement and at least one of the following conditions

- there are contracted terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonuses are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

#### Defined benefit superannuation plans (iv)

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses), less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Actuarial gains and losses are recognised, under the corridor method as outlined in AASB 119 Employee Benefits, in the income statement in the periods in which they arise.

#### Employee benefit on-costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

#### Share-based payments

Share-based compensation benefits are provided to employees via the Executive and Director Option Plan.

#### Share options granted after 7 November 2002 and vested after 1 January 2005

The fair value of options granted under the Executive and Director Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the options vest.

The fair value at grant date is independently determined using the Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (e.g. profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Company revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

#### (r) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (s) EARNING PER SHARE

#### Basic earnings per share

Basic earnings per share is determined by dividing the net profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (ii)Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### (t) DIVIDENDS

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors at or before the end of the financial year but not distributed at balance date.

#### (u) ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

#### (v) NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities or a disposal group are classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component for the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a review to resale. The results of discontinued operations are presented separately on the face of the income statement.

### CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below:

#### *Impairment*

The Group annually tests whether goodwill and other non-amortising intangible assets has suffered any impairment, in accordance with the accounting policy stated in note 1(h). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions. Refer to note 10 for details of these assumptions.

#### Property valuations

The Group periodically revalues land and buildings in accordance with the accounting policy stated in note 1(o). These valuations are based on available evidence at the time the valuation is conducted but is subject to estimation.

	Consoli	Consolidated		entity
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
2. REVENUE AND EXPENSES				
2.1 REVENUE AND OTHER INCOME (including exceptional gains)				
Advertising revenue	1,030,568	1,192,354	-	-
Revenue from sale of goods	98	1,044	-	-
Revenue before finance income	1,030,666	1,193,398	-	-
Dividends received				
Controlled entity	-	-	-	207,515
Other entities	745	1,081	-	-
Net gain on disposal of property, plant and equipment	1,937	1,701	-	-
Exceptional gains (refer note 3)	7,867	10,772	-	-
Rent received – other entities	995	1,128	-	-
Bad debts recovered	178	144	-	-
Gains on equity instruments	2,118	-	-	-
Gains on other financial instruments	5,361	13,215	-	-
Other	442	489	-	-
Other income	19,643	28,530	-	207,515
Interest received – associates	128	969	-	-
Interest received – controlled entity	-	-	72,604	18,125
Interest received – other entities	1,561	2,331	88	97
Finance income	1,689	3,300	72,692	18,222
Revenue and other income	1,051,998	1,225,228	72,692	225,737

	Consolic	lated	Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>2.2 EXPENSES</b> (including impairment and other exceptional costs)				
Expenses before finance costs				
Employee benefits expense	315,866	347,184	-	-
Selling and production expense	284,468	321,041	-	-
Rental and occupancy expense	163,805	174,567	-	-
Depreciation and amortisation expense	41,301	40,956	-	-
Impairment and other exceptional costs (refer note 3)	13,349	202,953	-	-
Other	51,303	51,127	4,568	4,536
Total expenses before finance costs	870,092	1,137,828	4,568	4,536
Depreciation				
Buildings	1,617	1,531	-	-
Plant and equipment	32,385	34,359	_	-
Total depreciation	34,002	35,890	-	-
According to				
Amortisation				
Plant and equipment under finance leases	2,388	59	-	-
Software	2,594	2,654	-	-
Radio licences	1,911	1,937	-	-
Other	406	416	-	
Total amortisation	7,299	5,066	-	
Finance costs				
Interest and finance charges	49,784	78,424	-	9
Borrowing costs amortisation	3,314	1,687	-	-
Amount capitalised	(864)	(1,278)	-	
Total finance costs	52,234	78,833	-	9
Rental expense relating to operating leases				
Property	19,674	19,116	-	-
Outdoor site rentals				
Minimum lease payments	111,844	115,380	_	-
Contingent rentals	7,579	14,773	-	-
Total rental expense	139,097	149,269	-	-
Impairment of receivables	4,699	4,868	_	-
Foreign exchange losses – controlled entities	-,,	-	3,375	4,599
Contributions to employee superannuation plans	15,747	15,000	32	30
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	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
3. IMPAIRMENT AND OTHER EXCEPTIONAL ITEMS				
Gain on disposal of investments and properties	699	3,623	-	-
Profit on sale of businesses	7,168	-	-	-
Fair value adjustment on acquisition of associate	-	7,149	-	-
Redundancies and associated costs	(8,869)	(21,425)	-	-
Project planning and implementation costs	(3,396)	(11,765)	-	-
Corporate, legal and other costs	(1,535)	(744)	-	-
			-	-
Online establishment costs	(1,696)	(6,428)	-	-
Impairment - intangibles	-	(127,095)	-	-
Impairment - property, plant and equipment	-	(18,201)	-	-
Impairment - investments	(853)	(7,797)	-	-
Onerous contract arising from impairment review	-	(9,498)	-	-
Reversal of impairment of investment in associate	3,000	-	-	-
Net impairment and other exceptional items (pre tax)	(5,482)	(192,181)	-	-
Income tax credit	5,445	27,782	-	-
Minority interest	324	326	-	
Net impairment and other exceptional items (post tax)	287	(164,073)	-	-

With the challenges experienced during 2009 in each of our key markets, the Group implemented further restructuring initiatives during the year. These initiatives included:

- further centralisation of editorial and administrative support functions
- workforce restructuring of printing operations in New Zealand
- further networking of radio programmes to regional centres in New Zealand

Redundancies and associated costs include redundancy payments, payments in lieu of notice together with salary costs of redundant roles from the date that the redundancy programme is initiated.

Project planning and implementation costs comprise other costs related to our restructuring programme including costs of duplicated roles during process transition, write-down of replaced equipment and project management.

Online establishment costs include costs of developing new product offerings as well as the cost of now discontinued strategies.

# NOTES TO THE FINANCIAL STATEMENTS APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Consolida	ted	Parent en	itity
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
4. REMUNERATION OF AUDITORS				
(i) Remuneration for audit or review of the financial reports				
PricewaterhouseCoopers – Australian firm	733	715	35	33
PricewaterhouseCoopers – overseas firm	617	695	-	
Other firms	324	273	-	
ii) Remuneration for other assurance services				
PricewaterhouseCoopers – Australian firm	21	30	-	
PricewaterhouseCoopers – overseas firm	36	19	-	
Other firms	21	1	-	
Total audit and other assurance services	1,752	1,733	35	4
PricewaterhouseCoopers – Australian firm  Tax services				
Transactional advice	362	98	-	
Compliance	84	146	-	
Other advisory services	61	114	-	
PricewaterhouseCoopers – overseas firm				
Tax services				
Transactional advice	106	91	-	
• Compliance	212	223	-	
Other advisory services	-	58	-	
Other firms				
Tax services				
Transactional advice	191	158	-	
• Compliance	90	100	-	
Other advisory services	-	4	-	
Total non-audit services	1,106	992	-	

	o 1.			
	Consolie 2009	dated 2008	Parent e	2008
	\$'000	\$'000	\$'000	\$'000
	φ 000	φ 000	φυσ	φ 000
5. INCOME TAX				
Income tax expense differs from the amount prima facie payable as follows:				
Profit before income tax expense	132,926	15,051	68,124	221,192
Prima facie income tax at 30%	39,878	4,515	20,437	66,358
Tax effect of differences:				
Rebateable dividends	-	-	-	(62,255)
Option expense	-	(473)	-	(473)
Differences in international tax treatments and rates	(24,261)	(24,731)	-	-
Impairment	(539)	32,943	-	-
Other	449	(3,300)	(29)	(29)
Prima facie tax adjusted for differences	15,527	8,954	20,408	3,601
Overprovision in prior years	(903)	(2,679)	-	_
Income tax expense	14,624	6,275	20,408	3,601
Reported income tax expense comprises:				
Current tax expense	17,086	28,464	21,965	3,202
Deferred tax (credit)/expense	(1,559)	(19,510)	(1,557)	399
Overprovision in prior years	(903)	(2,679)	-	
Income tax expense	14,624	6,275	20,408	3,601

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Consolie	Consolidated		Parent entity	
	2009	2008	2009	2008	
	\$'000	\$'000	\$'000	\$'000	
6. RECEIVABLES					
Current					
Trade receivables	168,054	183,148	-	-	
Provision for doubtful debts	(5,405)	(5,385)	-	-	
	162,649	177,763	-	-	
Loans to associates	3,867	6,935	_	-	
Other receivables	10,124	11,282	-	81	
Total current receivables	176,640	195,980	-	81	
Non-current					
Loans to controlled entities – at call	-	-	954,644	877,060	
Loans to related parties	4,224	4,895	-	-	
Total non-current receivables	4,224	4,895	954,644	877,060	

Trade receivables are generally settled within 60 days. The Directors consider the carrying amount of trade receivables approximates their net fair value. Loans to associates and controlled entities are unsecured, interest bearing and repayable at call.

#### (a) Impaired trade receivables

As at 31 December 2009, current trade receivables of the Group with a nominal value of \$7,172,000 (2008: \$6,773,000) were impaired. For the purposes of AASB 7 Financial Instruments: Disclosures, impaired receivables are regarded as those that are more than 90 days past due together with any other balances where the credit department considers collection to be in doubt. The amount of the provision was \$5,405,000 (2008: \$5,385,000). It was assessed that a portion of the receivables is expected to be recovered. There were no impaired trade receivables for the parent entity in 2009 or 2008.

The ageing of these receivables is as follows:

One to three months	2,397	2,167
Three to six months	4,522	3,079
Over six months	253	1,527
Impaired receivables	7,172	6,773
Movements in the provision for doubtful debts are as follows:	5 205	/ (72
Balance at beginning of the year	5,385	4,673
Provision for doubtful debts expensed	4,699	5,120
Receivables written off	(4,679)	(4,408)
Provision for doubtful debts	5,405	5,385

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (b) Past due but not impaired - trade receivables

As of 31 December 2009, trade receivables of \$38,301,000 (2008: \$41,790,000) were past due but not impaired. These receivables are 90 days or less past due.

Amounts charged to the provision account are generally written off when there is no expectation of recovery.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on previous collection history, over 99.8% of these receivables would be expected to be collected.

### (c) Foreign exchange risk

The carrying amounts of the Group's and parent entity's current and non-current receivables are denominated in the following currencies:

	Consolio	lated	Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Australian dollars	106,260	115,197	954,644	877,141
New Zealand dollars	63,340	72,287	-	-
Hong Kong dollars	6,338	7,022	-	-
Malaysian ringgit	-	2,603	-	-
Indonesian rupiah	4,926	3,766	-	-
	180,864	200,875	954,644	877,141

#### (d) Fair value and credit risk

The fair value of current receivables is assumed to be their current value due to their shortterm nature.

The fair value and carrying values of non-current receivables of the Group are as follows:

Loans to controlled entities – at call	-	-	954,644	877,060
Loans to related parties	4,224	4,895	_	-

The loans to related parties have no fixed term.

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each receivable. The Group does not hold any collateral as security. Refer note 29 for further information on the risk management policy of the Group.

#### **INVENTORIES**

Total inventories	9,569	20,476	-	-
Finished goods	93	409	-	_
Raw materials and stores	9,476	20,067	-	-

#### 8. OTHER FINANCIAL ASSETS

	Consolidated		Parent entity		
	2009	<b>2009</b> 2008	008 <b>2009</b>	2008	
	\$'000	\$'000	\$'000	\$'000	
Listed securities – at fair value Other securities – at cost	6,675	5,318	-	-	
Shares in controlled entities (refer note 22)	-	-	10,000	10,000	
Amounts due from controlled entities – at call	-	-	195,263	199,625	
Shares in other corporations – at fair value	20,455	17,310	-	-	
Total other financial assets	27,130	22,628	205,263	209,625	

#### 9. PROPERTY, PLANT AND EQUIPMENT

Free	اما	la i	لمما
rree	na	а	เลทต

At fair value(i)	16,284	14,420		-
Buildings				
At fair value(i)	38,602	47,425	-	-
Accumulated depreciation	-	(14,235)	-	-
	38,602	33,190	-	-
Plant and equipment				
At cost	460,744	601,102	-	-
Accumulated depreciation	(303,462)	(352,122)	-	-
Impairment <sup>(ii)</sup>	-	(18,201)	-	-
Capital works in progress	3,802	12,280	-	-
	161,084	243,059	-	-
Plant and equipment				
Under finance lease	53,352	555	-	-
Accumulated amortisation	(2,388)	(315)	-	-
	50,964	240	-	-
Total property, plant and equipment	266,934	290,909	-	-

- (i) The Directors consider that freehold land and buildings are carried at fair value. Independent valuations were carried out in 2009 and carrying values have been adjusted to reflect such valuations. Independent valuations in 2009 were carried out by certified registered valuers.
- (ii) Plant and equipment related to certain New Zealand commercial printing operations are impaired and have been written down to estimated recoverable amount based on value in use. The impairment in value arises from a combination of contracting demand and increased local production capacity which has generated pressure on both volumes and margins. These assets have now been transferred to assets held for sale.

# NOTES TO THE FINANCIAL STATEMENTS APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Consoli 2009	dated 200
	\$'000	\$'00
Freehold land		
Carrying amount at beginning of the year	14,420	16,08
Disposals	(277)	(1,252
Revaluations	5,254	
Transfers and other adjustments	(2,915)	(76
Foreign exchange differences	(198)	(336
Carrying amount at end of the year	16,284	14,42
Buildings	22 100	27.76
Carrying amount at beginning of the year	33,190	37,74
Additions	812	99
Disposals	(1,936)	(3,357
Depreciation	(1,617)	(1,531
Revaluations	6,956	2.2
Transfers and other adjustments	1,764	33
Foreign exchange differences	(567)	(988
Carrying amount at end of the year	38,602	33,19
Plant and equipment	2/2.050	2// 02
Carrying amount at beginning of the year	243,059	244,93
Additions	16,435	61,57
Acquisition of controlled entities	-	50
Disposals	(5,725)	(6,731
Depreciation	(32,385)	(34,359
Impairment	-	(18,201
Transfer to assets held for sale	(2,811)	
Transfers and other adjustments	(52,247)	(72
Foreign exchange differences	(5,242)	(4,583
Carrying amount at end of the year	161,084	243,05
Plant and equipment under finance lease	240	1.0
Carrying amount at beginning of the year  Additions	240	10
	(207)	19
Disposals	(207)	(38
Amortisation	(2,388)	(59
Transfers and other adjustments	53,352	2
Foreign exchange differences  Carrying amount at end of the year	(33) 50,964	24
Total property, plant and equipment Carrying amount at beginning of the year	290,909	298,86
Additions	17,247	62,75
Acquisition of controlled entities	-	50
Disposals	(8,145)	(11,378
Depreciation and amortisation	(36,390)	(35,949
Revaluations	12,210	
Impairment	· -	(18,20)
Transfer to assets held for sale	(2,811)	
Transfers and other adjustments	(46)	18
Foreign exchange differences	(6,040)	(5,869
Carrying amount at end of the year	266,934	290,90

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Cons	olidated
	2009	2008
	\$'000	\$'000
10. INTANGIBLE ASSETS		
Goodwill		
At cost	298,931	317,625
Impairment	(101,160)	(102,013)
	197,771	215,612
Software	<b>a</b> = //-	22.61-
At cost	22,443	22,612
Accumulated amortisation	(18,504)	(15,129)
	3,939	7,483
Mastheads		
At cost	1,023,009	1,054,189
Impairment	(25,082)	(25,082)
	997,927	1,029,107
Radio licences		
At cost	320,861	321,078
Accumulated amortisation	(13,802)	(12,319)
	307,059	308,759
Transit and outdoor advertising systems – at cost	54,713	54,713
Brands – at cost	41,167	43,613
Lease intangibles		
At cost	4,313	4,363
Accumulated amortisation	(2,453)	(2,047)
	1,860	2,316
Total intangible assets	1,604,436	1,661,603

#### Impairment of cash generating units (CGUs) including goodwill and indefinite life intangible assets

The recoverable amount of each CGU which includes goodwill or indefinite life intangible assets has been reviewed.

Where value in use calculations have been used, these calculations have been based on management budgets and forecasts for a five year period, extrapolated at estimated growth rates between 2% and 3% per annum being rates reflecting the long-term average growth rates for the respective CGU. A discount rate of 10.4% post-tax (2008: 9.5% post-tax) has been used. The current year discount rate equates to pre-tax rates in the range of 12% to 14% per annum.

A comprehensive impairment review was conducted at December 2009. The Directors remain satisfied with the carrying value of the Group's intangible assets and have determined that no adjustment to the impairment provisions recognised at December 2008 is required.

The impairment provision recognised at December 2008 and December 2009 in respect of the New Zealand National Publishing CGU results from a deterioration in advertising and capital market conditions resulting from a combination of a weaker New Zealand macro economic environment and the impact of the global financial crisis. Directors note that the extent and duration of the current weakness are difficult to predict but remain confident in the long-term prosperity of the Group's New Zealand National Publishing assets and the markets in which they operate.

Directors consider that, notwithstanding the impairment provision recognised in respect of the New Zealand National Publishing CGU, the fair value of the Group's intangible assets in aggregate is in excess of carrying value.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

Value in use calculations are highly sensitive to changes in certain key assumptions. A 0.5% increase in the discount rate used would increase the impairment provision recognised by \$45.0 million whereas a 0.5% decrease in the discount rate would result in a full reversal of the \$25.1 million provision which has been recognised. A 0.5% decrease in longterm growth rates would increase the impairment provision recognised by \$38.0 million whereas a 0.5% increase in long-term growth rates would result in a full reversal of the \$25.1 million provision which has been recognised. The impairment charge raised in respect of goodwill will not be reversed irrespective of any improvements in the value in use calculations.

die calculations.	Consolida	ated
	2009	2008
	\$'000	\$'000
Goodwill		
Carrying amount at beginning of the year	215,612	298,188
Additions	159	22,186
Disposals	(14,389)	-
Impairment	-	(102,013)
Foreign exchange differences	(3,611)	(2,749)
Carrying amount at end of the year	197,771	215,612
Software		
Carrying amount at beginning of the year	7,483	5,851
Acquisition of controlled entities	-	759
Additions	449	4,514
Disposals	(2,019)	(512)
Transfer to assets held for sale	(257)	· · ·
Amortisation	(2,594)	(2,654)
Foreign exchange differences	877	(475)
Carrying amount at end of the year	3,939	7,483
Mastheads		
Carrying amount at beginning of the year	1,029,107	1,097,577
Acquisition of controlled entities	4	985
Additions	1,412	-
Impairment	· .	(25,082)
Foreign exchange differences	(32,596)	(44,373)
Carrying amount at end of the year	997,927	1,029,107
Radio licences		
Carrying amount at beginning of the year	308,759	308,112
Additions	543	2,983
Foreign exchange differences	(332)	(399)
Amortisation	(1,911)	(1,937)
Carrying amount at end of the year	307,059	308,759
Brands		
Carrying amount at beginning of the year	43,613	46,946
Foreign exchange differences	(2,446)	(3,333)
Carrying amount at end of the year	41,167	43,613
Lease intangibles	2.21/	1 002
Carrying amount at beginning of the year	2,316	1,982
Additions	-	770
Amortisation	(406)	(416)
Foreign exchange differences	(50)	(20)
Carrying amount at end of the year	1,860	2,316

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

Prepayments

Other current assets

			Consol	
			2009 \$'000	2008 \$'000
Allocation of goodwill and non-amortising intangible assets to CGUs			,	,
Name of CGU				
New Zealand National Publishing			746,471	786,649
Australian Regional Publishing			211,086	209,674
New Zealand Regional Publishing			131,264	135,983
Australian Broadcasting			299,200	299,200
New Zealand Broadcasting			79,782	83,614
Outdoor – Australia			105,300	105,300
Other			17,611	21,774
Total goodwill and non-amortising intangible assets			1,590,714	1,642,194
	Consolid	ated	Parent	entity
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
11. OTHER ASSETS AND DEFERRED TAX ASSETS				
Current				
Tax assets	754	906	-	-

23,967

23,967

31,964

31,964

25

25

26

26

(a) Movements in deferred tax – consolidated	Balance 1 Jan 09 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Other movements \$'000	Balance 31 Dec 09 \$'000
Tax losses	25,268	3,375	-	-	28,643
Employee benefits	8,074	(1,962)	-	-	6,112
Doubtful debts	1,634	82	-	(95)	1,621
Accruals/restructuring	5,552	(1,374)	-	-	4,178
Intangible assets	(146,200)	(738)	4,512	-	(142,426)
Depreciation	(23,055)	1,548	-	1,456	(20,051)
Other	7,141	628	844	-	8,613
	(121,586)	1,559	5,356	1,361	(113,310)

	Balance 1 Jan 08 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Other movements \$'000	Balance 31 Dec 08 \$'000
Tax losses	16,526	8,742	-	-	25,268
Employee benefits	8,655	(581)	-	-	8,074
Doubtful debts	1,295	339	-	-	1,634
Accruals/restructuring	6,717	(1,165)	-	-	5,552
Intangible assets	(164,759)	6,004	12,555	-	(146,200)
Depreciation	(26,535)	3,480	-	-	(23,055)
Other	2,100	2,691	2,350	-	7,141
	(156,001)	19,510	14,905	-	(121,586)

(b) Movements in deferred tax – parent entity	Balance 1 Jan 09 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Other movements \$'000	Balance 31 Dec 09 \$'000
Tax losses	11,151	623	-	-	11,774
Accruals/restructuring	-	90	-	-	90
Other	2,917	844	845	-	4,606
	14,068	1,557	845	-	16,470

	Balance 1 Jan 08 \$'000	Recognised in income \$'000	Recognised in equity \$'000	Other movements \$'000	Balance 31 Dec 08 \$'000
Tax losses	12,923	(1,772)	-	-	11,151
Accruals/restructuring	1,544	(1,544)	-	-	-
Other	-	2,917	-	-	2,917
	14,467	(399)	-	-	14,068

There are no material unbooked tax losses as at 31 December 2009.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Consolie	dated	Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
12. PAYABLES				
Current				
Trade and other payables	108,970	138,008	-	9
Amounts due to related entities (i)	1,459	1,802	-	-
Other loans	5,933	5,879	-	-
Loans from Directors and Director related entities (refer note 25)	1,965	4,609	-	-
Tr. 1	110.00=	150 200		9
(i) Includes amounts payable to Independent News & Media PLC and related companies of \$1,294,347 (2008 : \$1,111,343)	118,327	150,298	-	2
(i) Includes amounts payable to Independent News & Media PLC and related companies of \$1,294,347 (2008 : \$1,111,343)	118,327	150,298		, ,
(i) Includes amounts payable to Independent News & Media PLC and related companies of \$1,294,347 (2008 : \$1,111,343)  Derivative financial instruments				,
(i) Includes amounts payable to Independent News & Media PLC and related companies of \$1,294,347 (2008 : \$1,111,343)  Derivative financial instruments  Interest rate swap	128	4,189		
companies of \$1,294,347 (2008: \$1,111,343)  Derivative financial instruments  Interest rate swap  Foreign currency contracts	128 686	4,189 654	-	-
(i) Includes amounts payable to Independent News & Media PLC and related companies of \$1,294,347 (2008 : \$1,111,343)  Derivative financial instruments  Interest rate swap Foreign currency contracts Equity swap	128 686	4,189 654 927	- - -	- - -
(i) Includes amounts payable to Independent News & Media PLC and related companies of \$1,294,347 (2008 : \$1,111,343)  Derivative financial instruments  Interest rate swap  Foreign currency contracts	128 686	4,189 654	- -	
(i) Includes amounts payable to Independent News & Media PLC and related companies of \$1,294,347 (2008 : \$1,111,343)  Derivative financial instruments  Interest rate swap Foreign currency contracts Equity swap	128 686	4,189 654 927		

Trade and other payables are generally settled within 30 days from the end of the month in which they are incurred.

Loans from Directors of Kurnia Outdoor Sdn Bhd, P Sapwell, S Koh, A Yew and G Khan, of \$Nil (2008: \$2,210,059) are unsecured, interest bearing and repayable at call.

Loans from a Director of PT Rainbow Asia Posters, F Moniaga, of \$1,964,964 (2008: \$2,398,470) are unsecured, non interest bearing and repayable at call.

### Foreign currency risk

The carrying amounts of payables are denominated in the following currencies:

Australian dollars	55,062	64,986	71,971	91,856
New Zealand dollars	50,367	70,071	-	-
Hong Kong dollars	4,867	7,469	-	-
Malaysian ringgit	6,160	10,943	-	-
Indonesian rupiah	5,844	6,977	-	-
Singapore dollars	113	150	-	-
	122,413	160,596	71,971	91,856

For an analysis of the sensitivity of payables to foreign currency risk, refer note 29.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 13. INTEREST BEARING LIABILITIES

	Consoli	Consolidated		ntity
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current – unsecured				
Bank loans	17,973	155,603	-	-
Current – secured				
Lease liabilities (refer note 21)	2,307	17	-	-
Total current interest bearing liabilities	20,280	155,620	-	_
Non-current				
Bank loans – unsecured	716,745	812,157	-	-
Lease liabilities – secured (refer note 21)	50,232	12	-	-
	766,977	812,169	-	-
Deduct				
Borrowing costs	16,800	15,882	-	-
Accumulated amortisation	(12,523)	(11,280)	-	-
Net borrowing costs	4,277	4,602	-	
Total non-current interest bearing liabilities	762,700	807,567	-	-

Lease liabilities are treated as secured, as the leased assets are either owned by or revert to the lessor in certain circumstances, including an event of default.

### Fair value and risk management

The fair value of interest bearing liabilities equals their carrying value.

The parent entity and certain controlled entities have potential financial liabilities which may arise from certain contingencies disclosed in note 18.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (a) Risk exposures

The exposure of borrowings to interest rate changes and the contractual repricing at the balance dates are as follows:

	Consolidated		Parent er	ntity
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Six months or less	550,376	751,283	-	-
Six to twelve months	34,642	115,262	-	-
One to five years	197,962	96,642	-	-
Interest bearing liabilities	782,980	963,187	-	-
			,	
Current borrowings	20,280	155,620	-	-
Non-current borrowings	762,700	807,567	-	-
Interest bearing liabilities	782,980	963,187	-	-
The carrying amounts of borrowings are denominated in the following currencies:			,	
Australian dollars	481,028	628,315	-	-
New Zealand dollars	301,952	334,872	-	-
Interest bearing liabilities	782,980	963,187	-	-

For an analysis of the sensitivity of borrowings to interest rate risk and foreign exchange risk, refer note 29.

#### (b) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# NOTES TO THE FINANCIAL STATEMENTS APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 14. PROVISIONS

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Current				
Current tax provisions	6,267	6,480	2,599	596
Employee benefits	7,405	6,697	-	-
Restructuring provision <sup>(i)</sup>	355	13,942	-	-
Total current provisions	7,760	20,639	-	-
Movements in restructuring provision				
Carrying amount at beginning of the year	13,942	739		
Amounts provided	1,036	13,942		
Payments	(6,313)	(787)		
Foreign exchange differences	(178)	48		
Transfer to liabilities directly associated with assets held for sale	(8,132)	-		
Carrying amount at end of the year	355	13,942		
(i) The restructuring provision includes:				
<ul> <li>onerous rental contracts related to potential closure of certain New Zealand commercial printing operations which have been transferred to liabilities</li> </ul>				
directly associated with assets held for sale				
expected redundancy costs related to formally announced restructuring plans				
Non-current				
Employee benefits	1,021	1,586	-	-
Total non-current provisions	1,021	1,586	-	-
Aggregate employee benefit liabilities				
Current provision	7,405	6,697	-	-
Non-current provision	1,021	1,586	-	-
Included in trade and other payables	12,900	19,641	-	-
Total employee benefit liabilities	21,326	27,924	-	-

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Cor	nsolidated	Parent entity		
	2009	2008	2009	2008	
	\$'000	\$'000	\$'000	\$'000	
15. CONTRIBUTED EQUITY					
Issued and paid up share capital	1,024,815	920,802	1,024,815	920,802	
(a) Movements in contributed equity during the financial year	2009	2008	2009	2008	
(a) Movements in contributed equity during the financial year	2009	2008	2009	2008	
	number	number	\$'000	\$'000	
Balance at start of the year	490,413,398	489,124,380	920,802	916,572	
Issue of ordinary shares - Non-Renounceable Entitlement Offer	99,280,471	-	99,280	-	
Share issue costs	-	-	(1,972)	-	
Dividend reinvestment plan	5,618,056	762,017	6,705	2,398	
Shares issued under Executive and Director Option Plan <sup>(i)</sup>	-	527,001	-	1,832	
Balance at end of the year	595,311,925	490,413,398	1,024,815	920,802	

Issued during the prior year between \$3.34 and \$3.85 per share

#### Non-Renounceable Pro-Rata Entitlement Offer

During the period, the Company issued 99,280,471 shares via an underwritten Non-Renounceable Pro-Rata Entitlement Offer to shareholders. Net proceeds of this Offer, after issuance costs, were \$96.5 million which has been used to reduce debt and strengthen our balance sheet. These shares were listed on the Australian and New Zealand stock exchanges on 2 June 2009 and 23 June 2009. Further details of the Offer are included in the various market announcements made by the Company.

#### (b) Executive and Director Option Plan (EDOP)

An option plan is operated by the Company to allow selected employees and Directors to participate in the growth of the Company through the issue of options over ordinary shares in the Company. Eligibility for participation is at the discretion of the Board.

The options are granted for no consideration and carry no dividend or voting rights. The options are generally exercisable between three and five years from the date of grant at the exercise price, subject to the satisfaction of performance hurdles. The options expire five years from the date of grant.

Each option issued is convertible into one ordinary share.

The exercise price of the options is the weighted average market price of the Company's shares sold on the ASX during the week immediately prior to and including the grant date. The exercise price is payable at the time of exercise of the options.

The options must not be transferred, encumbered or otherwise disposed of without the prior consent of the Board.

Options normally lapse if the optionholder ceases to be an employee of the Company or any of its subsidiaries and in the case of a Director, ceases to hold office, otherwise than by death, permanent incapacity, redundancy or retirement. In these events, options are normally exercisable within 12 months of the occurrence of the event.

The maximum number of ordinary shares in respect of which options may be granted under the EDOP may not exceed 10% of the total issued share capital of the Company from time to time without shareholder approval.

In addition to their standard terms, all of the current options of the Company have performance criteria that must be satisfied before an option or tranche of options may be exercised. The performance hurdles for an option or tranche of options involve a comparison of the Company's EPS performance over a period of time with a specified rate of growth.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (c) Dividend reinvestment plan (DRP)

Under the DRP, the holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash. Shares may be issued under the DRP at a discount to the market price. The Directors have set the current rate of discount applicable to the DRP at 2.5%.

#### (d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, representative or attorney is entitled to one vote, and upon a poll each share is entitled to one vote.

#### (e) Options issued under EDOP

Grant date	Exercise price (i)	Balance at start of the year number	Issued during the year number	Exercised during the year number	Lapsed during the year number	Balance at end of the year number
29 April 2004	3.82	2,885,000	-	-	2,885,000	-
30 September 2004	4.50	100,000	-	-	100,000	-
2 May 2006	4.99	7,040,000	-	-	195,000	6,845,000
2 June 2008	3.93	7,585,000	-	-	325,000	7,260,000
		17,610,000	-	-	3,505,000	14,105,000

Following completion of the underwritten Non-Renounceable Pro-Rata Entitlement Offer that was finalised on 23 June 2009, the exercise prices of options have been adjusted.

In respect of the options issued during 2006, the minimum performance hurdles have not been satisfied as at 31 December 2009 and they are not likely to be achieved during the remaining life of the options. In respect of the options issued during 2008, the performance hurdles cannot first be tested until the audited accounts for the 2010 financial year have been finalised.

# NOTES TO THE FINANCIAL STATEMENTS APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Consolidated		Parent entity		
	2009	2008	2009	2008	
	\$'000	\$'000	\$'000	\$'000	
16. RESERVES AND RETAINED PROFITS					
(a) Reserves					
Asset revaluation reserve	14,816	4,845	-	-	
Investment revaluation reserve	-	(3,358)	-	-	
Foreign currency translation reserve	(63,159)	(31,259)	-	-	
Capital profits reserve	120	120	-	-	
Share-based payments reserve	5,181	5,181	5,181	5,181	
Hedging reserve	(508)	(3,797)	-	-	
Total reserves	(43,550)	(28,268)	5,181	5,181	
Asset revaluation reserve					
	4.045	4.045			
Balance at beginning of the year	4,845	4,845	-	-	
Revaluation of land and buildings, net of minority interest	9,971	40/5	-	-	
Balance at end of the year	14,816	4,845	-	-	
Investment revaluation reserve					
Balance at beginning of the year	(3,358)	1,760	-	-	
Transfer to retained profits on adoption of AASB 9	5,575	-	-	-	
Adjustment to tax on revaluation of investments	(2,217)	-	-	-	
Revaluation of listed securities	-	(5,118)	-	-	
Balance at end of the year	-	(3,358)	-	-	
Total and the same					
Foreign currency translation reserve	(24.250)	4.70/			
Balance at beginning of the year	(31,259)	1,724	-	-	
Net exchange difference on translation of foreign controlled entities		(32,983)	-	-	
Balance at end of the year	(63,159)	(31,259)	-	-	
Share-based payments reserve					
Balance at beginning of the year Option expense	5,181	6,759 (1,578)	5,181	6,759 (1,578)	
Balance at end of the year	5,181	5,181	5,181	5,181	
II.4.:					
Hedging reserve	(2.505)	(1.7/1)			
Balance at beginning of the year Net gain/(loss) on hedge contracts	(3,797) 3,289	(1,741) (2,056)	-	-	
Balance at end of the year	(508)	(3,797)			

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Consolidated		Parent entity		
	2009	2008 <b>2009</b>		2008	
	\$'000	\$'000	\$'000	\$'000	
(b) (Accumulated losses)/retained profits					
Balance at beginning of the year	(76,375)	101,772	82,970	19,554	
Adjustment to retained profits on adoption of AASB 9	(5,575)	-	-	-	
Profit/(loss) attributable to owners of the parent entity	92,628	(23,972)	47,716	217,591	
Dividends paid	(58,850)	(154,175)	(58,850)	(154,175)	
Balance at end of the year	(48,172)	(76,375)	71,836	82,970	

#### Nature and purpose of reserves

#### Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policies. The balance standing to the credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

#### (ii) Foreign currency translation reserve

Exchange differences arising on translation of any foreign controlled entities are taken to the foreign currency translation reserve, as described in accounting policies.

#### Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued.

The hedging reserve is used to record unrealised gains/losses on cash flow hedging instruments.

#### (d) Minority interest

Share capital	208,767	208,909	-	-
Reserves	1,320	6,140	-	-
Retained profits/(accumulated losses)	617	(1,276)	-	-
Other	12,739	19,460	-	-
Minority interest	223,443	233,233	-	-
17. DIVIDENDS				

Unfranked final dividend for the year ended 31 December 2008 of 12.0 cents per share,				
paid on 23 April 2009 (2007: 21.0 cents per share unfranked paid on 24 April 2008)	58,850	102,761	58,850	102,761

For the year ended 31 December 2009, no interim dividend was declared or paid.				
(2008: 10.5 cents per share unfranked paid on 2 October 2008)	-	51,414	-	51,414
Total dividends	58,850	154,175	58,850	154,175

Franking credits available for subsequent financial years at the 30% corporate tax rate				
after allowing for tax payable in respect of the current year's profit and tax refunds due	9,133	2,671	8,838	2,220

#### Dividends not recognised at year end

In addition to the above dividends, since year end the Directors have declared the payment of a fully franked final dividend of 4.0 cents per share. The aggregate amount of the dividend expected to be paid on 30 March 2010 out of retained profits at 31 December 2009, but not recognised as a liability at year end, is:

23,812	58,850	23,812	58,850

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 18. CONTINGENT LIABILITIES

#### (a) Guarantees

The parent entity and all wholly-owned controlled entities have provided guarantees in respect of banking facilities. As at 31 December 2009, the facilities had been drawn to the extent of \$788,547,470 (2008: \$969,320,466).

The parent entity and some wholly-owned controlled entities have given guarantees in respect of certain banking facilities to a maximum of \$45,000,000 (2008: \$45,000,000).

#### (b) Claims

Claims for damages are made against the consolidated entity from time to time in the ordinary course of business. The Directors are not aware of any claim that is expected to result in material costs or damages.

#### 19. SUPERANNUATION

#### (a) Superannuation plans

The Company operates superannuation plans under which eligible employees and their dependants are entitled to benefits on retirement, disability or death. Employees contribute to the plans at various percentages of their wages and salaries. The respective employer entities within the consolidated entity also contribute to the plans at rates recommended by actuaries, industrial awards or the Superannuation Guarantee Charge legislation. The continuation of contributions, except those made pursuant to an award set down under a national wage case or the Superannuation Guarantee Charge legislation, are not legally enforceable.

#### Accounting policy

A portion of actuarial gains and losses is recognised in the income statement using the corridor approach. The portion recognised is the excess of the unrecognised gain/loss at the start of the year over the greater of 10% of the value of assets and 10% of the defined benefit obligation at the start of the year, divided by the expected future service of members.

#### Scheme information

The defined benefit section of the scheme is closed to new members. All new members receive accumulation only benefits.

#### (b) Balance sheet amounts

The amounts recognised in the balance sheet are determined as follows:

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Australian shares	4,981	4,525	-	-
International shares	4,294	4,085	-	-
Other	7,900	7,104	-	
Fair value of defined benefit scheme assets	17,175	15,714	-	-
Present value of the defined benefit obligation(1)	(18,157)	(18,582)	-	-
Shortfall of assets	(982)	(2,868)	-	-
Unrecognised net loss	2,160	3,862	-	-
Net asset	1,178	994	-	-

<sup>(1)</sup> Includes contributions tax provision

The Group has recognised an asset in the balance sheet in respect of its defined benefit superannuation arrangements. The APN Superannuation Scheme does not impose a legal liability on the Group to cover any deficit that exists in the scheme. If the scheme were wound up, there would be no legal obligation on the Group to make good any shortfall. The trust deed of the scheme states that if the scheme winds up, the remaining assets are to be distributed by the trustee of the scheme in an equitable manner as it sees fit.

The Group may at any time, by notice to the trustee, terminate its contributions. The Group has a liability to pay the monthly contributions due prior to the effective date of the notice, but there is no requirement for the Group to pay any further contributions, irrespective of the financial condition of the scheme.

Key assumptions used in the latest actuarial valuation are discount rate 4.7% (2008: 3.4%), salary inflation 4.0% (2008: 4.0%) and expected return on plan assets 6.0% (2008: 6.0%). As at 31 December 2009, the plan assets have been invested in the following asset classes: Australian equities 29% (2008: 29%), international equities 25% (2008: 26%), property 7% (2008: 6%), cash and fixed interest 16% (2008: 16%) and other 23% (2008: 23%).

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	C1:	11	Dagantand	
	Consolio 2009	<b>dated</b> 2008	Parent entity 2009	
	\$'000	\$'000	\$'000	2008 \$'000
Company service cost	(619)	(543)	-	
Interest cost on defined benefit obligation	(614)	(1,106)	_	
Actuarial loss recognised	(223)	(698)	_	
Expected return on assets	960	1,526	_	
Expense recognised in income statement	(496)	(821)	_	
Actual return on plan assets	2,232	(3,324)	-	
20. CAPITAL COMMITMENTS				
Capital expenditure contracted for at balance date but not recognised as liabilities:				
Not later than one year	37,202 <sup>(i)</sup>	4,741	-	
Later than one year but not later than five years	2,377	35,209 <sup>(i)</sup>	-	
Total capital commitments	39,579	39,950	-	
(i) TRN has a capital commitment of \$32.8 million (2008: \$34.1 million) relating cost of radio spectrum licences.	ng to the			
21. LEASE COMMITMENTS				
Commitments for minimum lease payments in relation to operating leases are commitments contracted for at the reporting date but not recognised as liabilities, p				
Not later than one year	107,612	114,728	-	-
Later than one year but not later than five years	231,407	229,547	-	-
Later than five years	86,433	72,553	-	-
Commitments not recognised in the financial statements	425,452	416,828	-	-
Representing:				
Cancellable operating leases and rental commitments	31,863	28,177	_	_
Non-cancellable operating leases and rental commitments	393,487	388,624	_	_
Future finance lease charges	102	27	_	_
Commitments not recognised in the financial statements	425,452	416,828		
Commitments not recognised in the inflancial statements	125,152	110,020		
Commitments for finance leases are payable as follows:				
Not later than one year	6,435	17	-	-
Later than one year but not later than five years	63,430	12	-	_
	69,865	29	-	_
Less future finance charges on finance leases	17,326	_	-	-
Total lease liabilities	52,539	29	-	-
Representing lease liabilities (refer note 13):				
representing least naturates (ICICI HOIC 13).				
Current	2 207	17		
Current Non-current	2,307 50,232	17 12	-	-

The weighted average interest rate implicit in the leases is 8.1% per annum (2008: 8.2% per annum). The rental commitments represent fixed portions of long-term rental contracts. The Directors believe that the associated future revenue streams will be sufficient to cover these commitments.

22.         INVESTMENTS IN CONTROLLED ENTITIES         of formation (%)         2008           Acmains No., 116 Psy Lamined ***         Australia         75         75           Adhoc Psy Led         Australia         75         75           Adhoce Psy Led         Australia         100         100           Airplay Media Services Psy Limined ***         Australia         100         100           APS Broadcasting Rystments Psy Limined ***         Australia         100         100           APS Broadcasting (Rystments Psy Limined ***         Australia         100         100           APS Broadcasting (Rystments Psy Limined ***         Australia         100         100           APS Broadcasting (Rystments Psy Limined **         Australia         100         100           APS Rouseas Magazines Psy Lid **         Australia         100         100           APS Rouseas Magazines Psy Lid **         Australia         100         100           APS Digital Psy Lid **         Australia         100         100           APS Digital Psy Lid **         Australia         100         100           APS Digital Psy Lid **         Australia         100         100           APS Educational Media RVZ Limited         New Zealand         100         100			Country of incorporation	Equity holding	
Acranian No. 116 Pty Limited 1-4  Adhoe Pty Ltd  Adhoe Pty Ltd  Adhoe Pty Ltd  Adstralia  75  75  Adhoe Pty Ltd  Australia  100  100  Airplay Media Services Pty Limited 1-4  Australia  100  APN P National Sales Pty Ltd  Australia  100  APN APN API National Sales Pty Ltd  Australia  100  APN Broadcasting Investmens Pty Limited 2-5  APN Broadcasting Investmens Pty Limited 2-5  APN Broadcasting (Regionals) Pty 1-4  Australia  100  APN Broadcasting (Regionals) Pty 1-4  Australia  100  APN Broadcasting (Regionals) Pty 1-4  Australia  100  APN Business Magazines Pty Ltd  Australia  100  APN Business Magazines Pty Ltd  Australia  100  APN Digital Pty Ltd  Australia  100  APN Digital Pty Ltd  Australia  100  APN Digital Nz Limited  APN Digital Nz Limited  APN Educational Media Pty Limited 3  Australia  100  APN Educational Media Pty Limited 4  Australia  100  APN Holdings Nz Limited  APN Holdings Nz Limited  APN Lasting Impressions Pty Italited  APN Lasting Impressions Pty Italited  APN New Zealand  APN New Zealand  APN New Zealand  APN New Zealand  APN Now Zealand Limited  APN Now Zealand  APN Now Zealand Limited  APN Now Zealand  APN Online (Now Zealand) Limited  APN Now Zealand  APN Specialist Publications NZ Limited  ABN Adelaide Pty Limited 3-5  ARN Magaziners Pty Ltd 1-4  Australia  50  50  ARN Broadcasting Pty Ltd 1-4  Australia  50  50  ARN Suprannauston Pty Ltd 1-4  Australia  50  50  ARN	22.	INVESTMENTS IN CONTROLLED ENTITIES	or formation	2009	2008
Adhoc Pty Ltd Adspace Adspace Sty Limited Alse Pty Ltd Australia 100 100 APN Paraional Sales Pty Ltd Australia 100 100 APN Braadcasting Investments Pty Limited APN Broadcasting (Regionals) Pty 144 Australia 100 APN Broadcasting (Regionals) Pty 144 Australia 100 APN Business Information Group Pty Ltd APN Business Magazines Pty Ltd APN Business Magazines Pty Ltd APN Computing Group Pty Ltd APN Computing Group Pty Ltd APN Digital Pty Ltd Australia 100 APN Digital Pty Ltd Australia 100 APN Digital NZ Limited APN Educational Media Pty Limited APN Finance Pty Limited APN Finance Pty Limited APN Holdings NZ Limited APN Milperra Pty Ltd Australia 100 APN New Zealand 100 APN New Zealand 100 APN Newspapers Pty Ltd Australia 100 APN Nowspapers Pty Ltd Australia 100 APN Online (Australia) Pty Limited Australia 100 APN Online (New Zealand) Limited Australia 100 APN Directore Clarifle Pty				%	%
Adspace Pty Ltd Australia Alpha Mcdia Services Pty Limited 4-4 Australia April Apr National Sales Pty Ltd 2 Australia APR Brascide Pty Ltd 4 Australia Australia ADR APR Broadcasting Investments Pty Limited 2-3 APR Broadcasting Investments Pty Limited 2-3 APR Broadcasting Investments Pty Limited 2-3 APR Broadcasting (Regionals) Pty 1-4 Australia APR Broadcasting (Regionals) Pty 1-4 Australia APR Business Information Group Pty Ltd 2 Australia APR Business Information Group Pty Ltd 2 Australia APR Dispital Nz Limited APR Educational Media (Nz) Limited 2 APR Educational Media (Nz) Limited 3 APR Educational Media (Nz) Limited 3 APR Holdings Nz Limited 4 Australia APR Holdings Nz Limited 5 APR Media (Asia) Pte Ltd 4 Australia 100 100 APR Newspapers by Ltd 2-3 APR Media (Asia) Pte Ltd 4 Australia 100 100 APR Newspapers by Ltd 2-3 Australia 100 100 APR Newspapers by Ltd 2-3 Australia 100 100 APR Newspapers by Ltd 2-3 Australia 100 100 APR Nonline (New Zealand Limited 100 100 APR Online (New Zealand Limited 100 100 APR Online (New Zealand Limited 100 100 APR Online (New Zealand Limited 100 100 APR Department Instituted 100 100 APR Departmen		Actraint No. 116 Pty Limited 1,4	Australia	50	50
Airplay Media Services Pty Limited 1-4         Australia         100         100           APN AP National Sales Pty Led 2         Australia         100         100           APN Broadcasting [Investments Pty Limited 1-3         Australia         100         100           APN Broadcasting [Regionals] Pty 1-4         Australia         50         50           APN Business Magazines Pty Led 3         Australia         100         100           APN Business Magazines Pty Led 4         Australia         100         100           APN Digital Pty Led 3         Australia         100         100           APN Digital Pty Led 4         Australia         100         100           APN Digital Pty Limited 3         Australia         100         100           APN Educational Media Pty Limited 3         Australia         100         100           APN Filacational Media (NZ) Limited 4         New Zealand 100         100           APN Holdings NZ Limited 5         Australia         100         100           APN Holdings NZ Limited 6         New Zealand 100         100           APN Media (Asia) Pte Led 6         Singapore 100         100           APN Media (Asia) Pte Led 6         Singapore 100         100           APN New Zealand Limited 7         A		•	Australia	75	75
APN AP National Sales Pty Ltd <sup>3</sup> APN Brasside Pty Ltd <sup>3</sup> ABSTralia  APN Brasside Pty Ltd <sup>3</sup> APN Brasside Pty Ltd <sup>3</sup> APN Brasside Pty Ltd <sup>3</sup> APN Broadcastring (Regionals) Pty <sup>1,4</sup> APN Broadcastring (Regionals) Pty <sup>1,4</sup> ABSTralia  APN Business Information Group Pty Ltd <sup>2</sup> APN Business Magazines Pty Ltd <sup>2</sup> ABSTralia  APN Business Magazines Pty Ltd <sup>2</sup> ABSTralia  APN Computing Group Pty Ltd <sup>3</sup> APN Digital Pty Ltd <sup>3</sup> ABSTralia  APN Digital Pty Ltd <sup>3</sup> ABSTralia  APN Digital Pty Ltd <sup>3</sup> ABSTralia  APN Digital NZ Limited  APN Educational Media (NZ) Limited  APN Holdings NZ Limited  APN Holdings NZ Limited  APN Holdings NZ Limited  APN Lasting Impressions Pty Limited  APN Lasting Impressions Pty Limited  APN Bastralia  APN Milperra Pty Ltd <sup>1</sup> ABSTralia  APN New Zealand  APN New Zealand  APN New Zealand Limited  APN Occupational Superannuation Pty Ltd  APN New Zealand Limited  APN Occupational Superannuation Pty Ltd  APN Online (New Zealand) Limited  APN Online (New Zealand) Limited  APN Online (New Zealand) Limited  APN Outdoor Limited  APN Outdoor (Trading) Pty Limited  APN Outdoor (Trading) Pty Limited  APN Outdoor (Trading) Pty Limited  APN Superannuation Pty Ltd <sup>3,5</sup> ABSTralia  ABSTralia  ARN APN Superannuation Pty Ltd <sup>4,6</sup> ARN Broadcasting Pty Ltd <sup>4,6</sup> ARN Broadcasting Pty Ltd <sup>4,6</sup> ARN Superannuation Pty Ltd <sup>4,6</sup> ARN Superannuatio				100	100
APN Brasside Pty Ltd <sup>1</sup> Australia 100 100 APN Broadcasting [Regionals] Pty <sup>1,4</sup> Australia 50 50 APN Business Information Group Pty Ltd <sup>2</sup> Australia 100 100 APN Business Magazines Pty Ltd <sup>2</sup> Australia 100 100 APN Business Magazines Pty Ltd <sup>2</sup> Australia 100 100 APN Dugital Pty Ltd <sup>2</sup> Australia 100 100 APN Digital Pty Limited New Zealand 100 100 APN Educational Media Pty Limited 2 Australia 100 100 APN Educational Media (NZ) Limited New Zealand 100 100 APN Finance Pty Limited New Zealand 100 100 APN Finance Pty Limited New Zealand 100 100 APN Holdings NZ Limited New Zealand 100 100 APN Holdings NZ Limited New Zealand 100 100 APN Holdings NZ Limited New Zealand 100 100 APN Lasting Impressions Pty Limited New Zealand 100 100 APN New Jealand 100 100 APN New Zealand 100 100 APN New Zealand Limited New Zealand 100 100 APN New Jean Limited New Zealand 100 100 APN Ocupational Superamusation Pty Ltd Australia 100 100 APN Online (Australia) Pty Limited New Zealand 100 100 APN Outdoor (Inding Pty Limited New Zealand 100 100 APN Outdoor (Inding Pty Limited New Zealand 100 100 APN Outdoor (Inding Pty Limited New Zealand 100 100 APN Printing Services Pty Ltd <sup>2,5</sup> Australia 100 100 APN Printing Services Pty Ltd <sup>3,5</sup> Australia 100 100 APN Printing Services Pty Ltd <sup>4,6</sup> Australia 50 50 ARN Membrane Pty Ltd <sup>4,4</sup> Australia 50 50 ARN Membrane Pty Ltd <sup>4,4</sup> Australia 50 50 ARN Superamusation Pty Ltd <sup>4,4</sup> Australia 50 50 ARN Superamusation Pty Ltd <sup>4,4</sup> Australia 50 50 ARN New Zealand Pty Limited Australia 50 50 ARN New Zealand Pty Limited New Zealand 50 50 ARN New Zealand Pty Limited New Zealand 50 50 ARN Superamusation		Airplay Media Services Pty Limited 1,4	Australia	50	50
APN Broadcasting (Regionals) Pty Limited 2-3 APN Business Information Group Pty Ltd 2 APN Business Information Group Pty Ltd 2 APN Business Magazines Pty Ltd 2 Australia APN Computing Group Pty Ltd 2 Australia APN Computing Group Pty Ltd 2 Australia APN Digital Pty Ltd 2 Australia APN Educational Media Pty Limited 3 APN Educational Media (NZ) Limited APN Holdings NZ, Limited APN Holdings NZ, Limited APN Holdings NZ, Limited APN Lastralia APN Lastralia APN Media (Asia) Pte Ltd Singapore APN New Zealand APN New Zealand Limited APN Occupational Superamunation Pty Ltd APN Online (Australia) Pty Limited APN Outdoor Pty Limited APN Outdoor Pty Limited APN Outdoor Pty Limited APN Dutdoor Pty Limited APN Dutdoor Pty Limited APN Dutdoor Pty Limited APN Dutdoor Pty Limited APN Superamunation Pty Ltd APN		•	Australia	100	100
APN Broadcasting (Regionals) Pty Ltd 2 ANT Business Information Group Pty Ltd 2 ANS Business Magazines Pty Ltd 3 ANS Business Magazines Pty Ltd 3 ANS Computing Group Pty Ltd 2 ANS Computing Group Pty Ltd 2 ANS Computing Group Pty Ltd 3 ANS Computing Group Pty Ltd 4 ANS Educational Media Pty Limited 2 ANS Educational Media (NZ) Limited 3 APN Finance Pty Limited 4 ANS Caeland 100 100 APN Holdings NZ Limited 4 ANS Caeland 100 100 APN Lasting Impressions Pty Limited 4 ANS Caeland 100 100 APN Media (Asia) Pte Ltd 5 APN Media (Asia) Pte Ltd 5 APN Media (Asia) Pte Ltd 5 APN New Zealand Limited 4 ANS Caeland 100 100 APN New Spapers Pty Ltd 4 ANS Caeland 100 100 APN Newspapers Pty Ltd 4 APN NEW Caeland 100 100 APN Newspapers Pty Ltd 4 APN NEW Caeland 100 100 APN Noccupational Superannuation Pty Ltd ANS Caeland 100 100 APN Occupational Superannuation Pty Ltd ANS Caeland 100 100 APN Online (New Zealand) Limited ANS Caeland 100 100 APN Online (New Zealand) Limited New Zealand 100 100 APN Outdoor Pty Limited 4 ANS Caeland 100 100 APN Printing Services Pty Ltd 4 ANS Caeland 100 100 APN Printing Services Pty Ltd 4 ANS Taela 100 100 APN Printing Services Pty Ltd 4 ANS Taela 100 100 APN Specialist Publications NZ Limited New Zealand 100 100 APN Specialist Publications NZ Limited ANS Communications Pty Ltd 4 ANS Taela 100 100 APN Brishane Pty Ltd 4 ANS Taela 100 100 APN Broadcasting Pty Ltd 4 ANS Taela 100 100 APN Specialist Publications NZ Limited 4 ANS Taela 100 100 APN Specialist Publications NZ Limited 5 ARN Overseas Pty Limited 4 ANS Taela 100 100 APN Deverseas Pty Limited 4 ANS Taela 100 100 APN New Zealand 100 100 APN Deverseas Pty Limited 5 ARN South Australia 50 50 ARN South Australia 50 50 ARN South Aust		•		100	100
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APN Computing Group Pty Ltd 2		APN Business Information Group Pty Ltd <sup>2</sup>	Australia	100	100
APN Digital Pty Ltd <sup>3</sup> APN Digital Pty Ltd <sup>3</sup> APN Digital Nz Limited APN Digital Nz Limited APN Educational Media (NZ) Limited APN Finance Pty Limited <sup>2</sup> Australia APN Holdings NZ Limited APN Media (Asia) Pte Ltd APN Media (Asia) Pte Ltd APN Media (Asia) Pte Ltd APN Milperra Pty Ltd <sup>3</sup> APN Newz Zealand Limited APN Occupational Superannuation Pty Ltd APN Online (Australia APN Occupational Superannuation Pty Ltd APN Online (New Zealand) Limited APN Online (New Zealand) Limited APN Outdoor Limited APN Outdoor Pty Limited <sup>3,3</sup> Australia APN Outdoor (Trading) Pty Ltd <sup>2,3</sup> Australia APN Outdoor (Trading) Pty Ltd <sup>2,3</sup> Australia APN Outdoor (Trading) Pty Ltd <sup>2,3</sup> Australia APN Print NZ Limited APN Superannuarion Pty Ltd APN Superannuarion Pty Ltd APN Superannuarion Pty Ltd APN Superannuarion Pty Ltd ARN Superannuarion Pty Ltd ARN Adelaide Pty Ltd <sup>1,4</sup> Australia 50 50 ARN Superannuarion Pty Ltd ARN Superannuarion Pty Ltd ARN New Zealand Pty Limited ARN Australia 50 50 ARN New Zealand Pty Limited <sup>3,4</sup> Australia 50 50 ARN New Zealand Pty Limited <sup>3,4</sup> Australia 50 50 ARN New Zealand Pty Limited <sup>3,4</sup> Australia 50 50 ARN New Zealand Pty Limited <sup>3,4</sup> Australia 50 50 ARN New Zealand Pty Limited <sup>3,4</sup> Australia 50 50 ARN New Zealand Pty Limited <sup>3,4</sup> Australia 50 50 ARN New Zealand Pty Limited <sup>3,4</sup> Australia 50 50 ARN Superannuarion Pty Ltd <sup>3,4</sup> Australia 50 50 50 ARN Superannuarion Pty Ltd <sup>3,4</sup> Australia 50 50 50 ARN Superannuarion Pty Ltd <sup>3,4</sup> Australia 50 50 50 ARN Superannuarion Pty Ltd <sup>3,4</sup> Australia 50 50 50 ARN Superannuarion Pty Ltd <sup>3,4</sup> Australia 50 50 50 60 60 60 60 60 60 60 60 60 60 60 60 60		APN Business Magazines Pty Ltd <sup>2</sup>	Australia	100	100
APN Digital NZ Limited APN Educational Media Pty Limited 2 APN Educational Media (NZ) Limited APN Finance Pty Limited 2 Australia 100 APN Holdings NZ Limited APN Holdings NZ Limited APN Holdings NZ Limited APN Holdings NZ Limited APN Media (Asia) Pte Ltd APN Media (Asia) Pte Ltd APN Milpetra Pty Ltd 1 APN Milpetra Pty Ltd 1 APN New Zealand Limited APN New Zealand Limited APN New Zealand Limited APN Newspapers Pty Ltd 2 APN Newspapers Pty Ltd 2 APN Newspapers Pty Ltd 3 APN New Zealand Limited APN NZ Investments Limited APN NZ Investments Limited APN Occupational Superannuation Pty Ltd APN Olline (New Zealand) APN Olline (Pwew Zealand) APN Durdoor (Trading) Pty Ltd 2 APN Printing Services Pty Ltd 3 Australia 100 APN Specialist Publications NZ Limited New Zealand APN Superannuation Pty Ltd 4 Australia 50 50 ARN Superannuation Pty Ltd 4 Australia 50 50 ARN Broadcasting Pty Ltd 1-4 Australia 50 50 ARN New Zealand Pty Limited 1-4 Australia 50 50 ARN New Zealand Pty Limited 1-4 Australia 50 50 ARN New Zealand Pty Limited 1-4 Australia 50 50 ARN New Zealand Pty Limited 1-4 Australia 50 50 ARN Superannuation Pty Ltd 1-4 Australia 50 50 50 ARN Superannuation Pty Ltd 1-4 Austra		APN Computing Group Pty Ltd <sup>2</sup>	Australia	100	100
APN Educational Media Pty Limited 2 APN Educational Media (NZ) Limited APN Educational Media (NZ) Limited APN Einance Pty Limited 2 Australia APN Holdings NZ Limited APN Holdings NZ Limited APN Lasting Impressions Pty Limited APN Lasting Impressions Pty Limited APN Lasting Impressions Pty Limited APN Media (Asia) Pte Ltd APN Media (Asia) Pte Ltd APN Milperra Pty Ltd 1 Australia APN Milperra Pty Ltd 1 APN Newspapers Pty Ltd 2 APN Newspapers Pty Ltd 2 APN Newspapers Pty Ltd 3 APN Newspapers Pty Ltd 3 APN Newspapers Pty Ltd 3 APN Newspapers Pty Ltd 4 APN Online (Australia) APN Now India (Australia) APN Online (Australia) APN Online (Australia) APN Online (New Zealand) Limited APN Online (New Zealand) Limited APN Outdoor Pty Limited 3 APN Outdoor Pty Limited 3 APN Outdoor Pty Limited 4 APN Outdoor (Trading) Pty Ltd 2 APN Outdoor (Trading) Pty Ltd 2 APN Outdoor (Trading) Pty Ltd 2 APN Print NZ Limited APN Outdoor (Trading) Pty Ltd 2 APN Superannuation Pty Ltd ARN Superannuation Pty Ltd 1 ARN Acklaide Pty Ltd 1 ARN New Zealand Pty Limited 4 Australia 50 50 ARN Broadcasting Pty Ltd 1 ARN New Zealand Pty Limited 4 Australia 50 50 ARN New Zealand Pty Limited 4 Australia 50 50 ARN New Zealand Pty Limited 4 Australia 50 50 ARN New Zealand Pty Limited 4 Australia 50 50 ARN New Zealand Pty Limited 4 Australia 50 50 ARN New Zealand Pty Limited 5 ARN New Zealand Pty Limited 5 ARN New Zealand Pty Limited 6 ARN Superannuation Pty Ltd 6 ARN Su		APN Digital Pty Ltd <sup>2</sup>	Australia	100	100
APN Educational Media (NZ) Limited         New Zealand         100         100           APN Finance Pty Limited 2         Australia         100         100           APN Holdings NZ Limited         New Zealand         100         100           APN Lasting Impressions Pty Limited         Australia         55         55           APN Media (Asia) Pte Ltd         Singapore         100         100           APN Milperra Pty Ltd 1         Australia         100         100           APN New Zealand Limited         New Zealand         100         100           APN Newspapers Pty Ltd 2.3         Australia         100         100           APN OZ Investments Limited         New Zealand         100         100           APN OZ Cupational Superannuation Pty Ltd         Australia         100         100           APN Online (Alwarralia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited Aproved Timited Aproved Aproved Timited Ap		APN Digital NZ Limited	New Zealand	100	100
APN Finance Pty Limited         Australia         100         100           APN Holdings NZ Limited         New Zealand         100         100           APN Lasting Impressions Pty Limited         Australia         55         55           APN Media (Asia) Pte Ltd         Singapore         100         100           APN Milperra Pty Ltd 1         Australia         100         100           APN New Zealand Limited         New Zealand         100         100           APN Newspapers Pty Ltd 2.3         Australia         100         100           APN Newspapers Pty Ltd 2.3         Australia         100         100           APN Occupational Superannuation Pty Ltd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor Pty Limited 2.3         Australia         100         100           APN Outdoor Pty Limited 2.3         Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Printing Services Pty Ltd 2.3         Australia         100         100           APN Superannuation Pty Ltd		APN Educational Media Pty Limited <sup>2</sup>	Australia	100	100
APN Holdings NZ Limited         New Zealand         100           APN Lasting Impressions Pty Limited         Australia         55         55           APN Media (Asia) Pte Ltd         Singapore         100         100           APN Milperra Pty Ltd 1         Australia         100         100           APN New Zealand Limited         New Zealand         100         100           APN Newspapers Pty Ltd 2-3         Australia         100         100           APN NZ Investments Limited         New Zealand         100         100           APN Occupational Superannuation Pty Ltd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor (Trading) Pty Ltd 2-3         Australia         100         100           APN Outdoor (Trading) Pty Ltd 2-3         Australia         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           <			New Zealand	100	100
APN Lasting Impressions Pty Limited         Australia         55         55           APN Media (Asia) Pte Ltd         Singapore         100         100           APN Milperra Pty Ltd ¹         Australia         100         100           APN New Zealand Limited         New Zealand         100         100           APN Newspapers Pty Ltd ²³         Australia         100         100           APN NZ Investments Limited         New Zealand         100         100           APN Occupational Superannuation Pty Ltd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor (Irinited         New Zealand         100         100           APN Outdoor (Trading) Pty Ltd ²³         Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Superannuation Pty Ltd ¹⁴         Australia         50         50 <t< td=""><td></td><td>APN Finance Pty Limited <sup>2</sup></td><td>Australia</td><td>100</td><td>100</td></t<>		APN Finance Pty Limited <sup>2</sup>	Australia	100	100
APN Media (Asia) Pte Ltd         Singapore         100         100           APN Milperra Pty Ltd <sup>1</sup> Australia         100         100           APN New Zealand Limited         New Zealand         100         100           APN Newspapers Pty Ltd <sup>2,3</sup> Australia         100         100           APN NZ Investments Limited         New Zealand         100         100           APN Occupational Superannuation Pty Ltd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor (Trading) Pty Ltd <sup>2,3</sup> Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Printing Services Pty Ltd <sup>2,3</sup> Australia         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Superannuation Pty Ltd <sup>1,4</sup> Australia         50         50           ARN Broadcasting Pty Ltd <sup>1,4</sup> Australia         50         50 <tr< td=""><td></td><td></td><td>New Zealand</td><td>100</td><td>100</td></tr<>			New Zealand	100	100
APN Milperra Pty Ltd <sup>1</sup> Australia         100         100           APN New Zealand Limited         New Zealand         100         100           APN Newspapers Pty Ltd <sup>2, 3</sup> Australia         100         100           APN Newspapers Pty Ltd <sup>2, 3</sup> Australia         100         100           APN Ozcupational Superannuation Pty Ltd         Australia         100         100           APN Online (New Zealand) Emited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor Ty Limited <sup>2, 3</sup> Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Printing Services Pty Ltd <sup>2, 3</sup> Australia         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           ARN Superannuation Pty Ltd <sup>1, 4</sup> Australia         50         50           ARN Broadcasting Pty Ltd <sup>1, 4</sup> Australia         50         50     <			Australia	55	55
APN New Zealand Limited         New Zealand         100         100           APN Newspapers Pty Ltd 2·3         Australia         100         100           APN NZ Investments Limited         New Zealand         100         100           APN Occupational Superannuation Pty Ltd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor Pty Limited 2·3         Australia         100         100           APN Outdoor (Trading) Pty Ltd 2·3         Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Superannuation Pty Ltd 1·4         Australia         50         50           ARN Brisbane Pty Ltd 1·4         Australia         50         50           ARN Broadcasting Pty Ltd 1·4         Australia         50         50		APN Media (Asia) Pte Ltd	Singapore	100	100
APN Newspapers Pty Ltd 2-3         Australia         100         100           APN NZ Investments Limited         New Zealand         100         100           APN Occupational Superannuation Pty Ltd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor Pty Limited 2-3         Australia         100         100           APN Outdoor (Trading) Pty Ltd 2-3         Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Superannuation Pty Ltd         Australia         100         100           APN Superannuation Pty Ltd 1-4         Australia         50         50           ARN Brisbane Pty Ltd 1-4         Australia         50         50           ARN Broadcasting Pty Ltd 1-4         Australia         50         50           ARN Sune Zealand Pty Limited 1-4         Australia         50         50           <		APN Milperra Pty Ltd <sup>1</sup>	Australia	100	100
APN NZ Investments Limited         New Zealand         100         100           APN Occupational Superannuation Pty Ltd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor Pty Limited 2-3         Australia         100         100           APN Outdoor (Trading) Pty Ltd 2-3         Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Printing Services Pty Ltd 2-3         Australia         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Superannuation Pty Ltd         Australia         100         100           ARN Superannuation Pty Ltd 1-4         Australia         50         50           ARN Brisbane Pty Ltd 1-4         Australia         50         50           ARN New Zealand Pty Limited 1-4         Australia         50         50           ARN New Zealand Pty Limited 1-4         Australia         50         50				100	100
APN Occupational Superannuation Pty Ltrd         Australia         100         100           APN Online (Australia) Pty Limited         Australia         100         100           APN Online (New Zealand) Limited         New Zealand         100         100           APN Outdoor Limited         New Zealand         100         100           APN Outdoor Pty Limited 2-3         Australia         100         100           APN Outdoor (Trading) Pty Ltd 2-3         Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Printing Services Pty Ltd 2-3         Australia         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Superannuation Pty Ltd         Australia         100         100           APN Superannuation Pty Ltd 1-4         Australia         50         50           ARN Brisbane Pty Ltd 1-4         Australia         50         50           ARN Sommunications Pty Ltd 1-4         Australia         50         50           ARN New Zealand Pty Limited 1-4         Australia         50         50           ARN New Zealand Pty Limited 1-4         New Zealand         50         50 <t< td=""><td></td><td></td><td>Australia</td><td>100</td><td>100</td></t<>			Australia	100	100
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APN Outdoor Pty Limited 2.3         Australia         100         100           APN Outdoor (Trading) Pty Ltd 2.3         Australia         100         100           APN Print NZ Limited         New Zealand         100         100           APN Printing Services Pty Ltd 2.3         Australia         100         100           APN Specialist Publications NZ Limited         New Zealand         100         100           APN Superannuation Pty Ltd         Australia         100         100           ARN Adelaide Pty Ltd 1.4         Australia         50         50           ARN Brisbane Pty Ltd 1.4         Australia         50         50           ARN Broadcasting Pty Ltd 1.4         Australia         50         50           ARN Communications Pty Ltd 1.4         Australia         50         50           ARN New Zealand Pty Limited 1.4         Australia         50         50           ARN NZ Investments Limited 1.4         New Zealand         50         50           ARN Overseas Pty Limited 1.4         Australia         50         50           ARN Perth Pty Ltd 1.4         Australia         50         50           ARN South Australia Pty Ltd 1.4         Australia         50         50           ARN Superannuation Pt		APN Online (New Zealand) Limited	New Zealand	100	100
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ARN Adelaide Pty Ltd <sup>1,4</sup> ARN Brisbane Pty Ltd <sup>1,4</sup> ARN Brisbane Pty Ltd <sup>1,4</sup> ARN Broadcasting Pty Ltd <sup>1,4</sup> ARN Broadcasting Pty Ltd <sup>1,4</sup> ARN Communications Pty Ltd <sup>1,4</sup> ARN New Zealand Pty Limited <sup>1,4</sup> ARN New Zealand Pty Limited <sup>1,4</sup> ARN NZ Investments Limited <sup>1,4</sup> ARN Overseas Pty Limited <sup>1,4</sup> ARN Overseas Pty Limited <sup>1,4</sup> ARN South Australia ARN South Australia Pty Ltd <sup>1,4</sup> ARN South Australia Pty Ltd <sup>1,4</sup> ARN Superannuation Pty Ltd <sup>1,4</sup> AR		APN Specialist Publications NZ Limited	New Zealand	100	100
ARN Brisbane Pty Ltd <sup>1,4</sup> ARN Broadcasting Pty Ltd <sup>1,4</sup> ARN Broadcasting Pty Ltd <sup>1,4</sup> ARN Communications Pty Ltd <sup>1,4</sup> ARN New Zealand Pty Limited <sup>1,4</sup> ARN New Zealand Pty Limited <sup>1,4</sup> ARN New Zealand Pty Limited <sup>1,4</sup> ARN New Zealand ARN New Zealand ARN New Zealand ARN Overseas Pty Limited <sup>1,4</sup> ARN Overseas Pty Limited <sup>1,4</sup> ARN South Australia ARN South Australia Pty Ltd <sup>1,4</sup> ARN Superannuation Pty Ltd <sup>1,4</sup> ARN Supe				100	100
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ARN Communications Pty Ltd <sup>1,4</sup> ARN New Zealand Pty Limited <sup>1,4</sup> ARN NZ Investments Limited <sup>1,4</sup> ARN Overseas Pty Limited <sup>1,4</sup> ARN Overseas Pty Limited <sup>1,4</sup> ARN Perth Pty Ltd <sup>1,4</sup> ARN South Australia Pty Ltd <sup>1,4</sup> ARN Superannuation Pty Ltd <sup>1,4</sup> ARN Superan			Australia	50	50
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ARN Perth Pty Ltd <sup>1,4</sup> ARN South Australia Pty Ltd <sup>1,4</sup> ARN Superannuation Pty Ltd <sup>1,4</sup> ARN Superannuation Pty Ltd <sup>1,4</sup> ARN SAT Pty Limited <sup>1,4</sup> Australia 50 50 50			New Zealand	50	50
ARN South Australia Pty Ltd <sup>1,4</sup> ARN Superannuation Pty Ltd <sup>1,4</sup> ARNSAT Pty Limited <sup>1,4</sup> Australia 50 50 50 ARNSAT Pty Limited <sup>1,4</sup> Australia 50 50			Australia	50	50
ARN Superannuation Pty Ltd <sup>1,4</sup> ARN SAT Pty Limited <sup>1,4</sup> Australia 50 50		•		50	50
ARNSAT Pty Limited 1,4 Australia 50 50		ARN South Australia Pty Ltd 1,4	Australia	50	50
·				50	50
Asia Posters Pte Ltd Singapore 100 100		•	Australia	50	50
		Asia Posters Pte Ltd	Singapore	100	100

2.00   New STIMENTS IN CONTROLLED ENTITIES (continued)   Or formation   New Yor			Country of incorporation	Equity holding		
Asia Posters Sdn Bhd  The Australiaia Advertising Company Pty Limited <sup>2</sup> Australia  Australiaia Novi Pt Id <sup>2</sup> Australiaia Provincial Newspapers International Pty Limited <sup>2,2</sup> Australia  Australiaia Provincial Newspapers International Pty Limited <sup>2,3</sup> Australia  Australiaia Provincial Newspapers International Pty Limited <sup>2,4</sup> Australia  Australia  Australia  Australia  Australia  Australia  Australia  Australia  Australia  Bile Mountains Broadcasters Pty Limited <sup>1,4</sup> Australia  100  Birishane FM Radio Pty Ltd <sup>1,5</sup> The Birishane Publishing Company Pty Ltd <sup>2</sup> Australia  100  The Bundahers Newspapers Company Pty Ltmited <sup>2,3</sup> Australia  100  Buspak Advertising Group Pty Ltd <sup>2,3</sup> Australia  Buspak Advertising (Singapore) Pte Ltd  Bingapore  - 100  Byron Shire News Pty Ltd <sup>2,4</sup> Australia  100  Calcom Sdn Bhdi <sup>1,4</sup> Capital City Broadcasters Pty Limited <sup>1,4</sup> Australia  100  Capital City Broadcasters Pty Limited <sup>1,4</sup> Australia  100  Capital City Broadcasters Pty Limited <sup>1,4</sup> Australia  100  Captree Media Pty Limited <sup>1,4</sup> Australia  100  Carrocop (Aunufacturing) Pty Limited <sup>1,4</sup> Australia  100  Carrocop (Aunufacturing) Pty Limited <sup>1,4</sup> Australia  100  Conductor International (Htk) Limited <sup>7</sup> Australia  100  Conductor International (Htk) Limited <sup>7</sup> Australia  100  Conductor Remarketing Pty Ltd <sup>2</sup> Australia  100  Conductor Remarketing Pty Ltd <sup>2</sup> Australia  100  Conductor International (Htk) Limited <sup>7</sup> Australia  100  Conductor International (Htk) Limited <sup>7</sup> Australia  100  Dilly Commonwealth Broadcasting Company Pty Ltd <sup>1,4</sup> Australia  100  Dilly Commonwealth Broadcasting Componition Pty Ltd <sup>1,4</sup> Australia  100  Dilly Commonwealth Broadcasting Componition Pty Ltd <sup>1,4</sup> Australia  100  D	22.	INVESTMENTS IN CONTROLLED ENTITIES (continued)	or formation			
The Australasian Advertising Company Pty Limited 2         Australia         100         100           Australian Provincial Newspapers International Pty Limited 2.3         Australia         100         100           Australian Provincial Newspapers Ltd 2.3         Australia         100         100           Australian Radio Network Pty Limited 1.4         Australia         50         50           Biffian Pty Limited 2.3         Australia         50         50           Biffin Pty Limited 2.3         Australia         100         100           Blue Mountains Broadcasters Pty Limited 3.4         Australia         100         100           Burder Newspapers Pty Ltd 2         Australia         100         100           Brisbane Publishing Company Pty Ltd 2         Australia         100         100           Buspak Advertising (China) Limited         Hong Kong         100         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Buspak Advertising (Singapore) Pte Ltd         Malaysia         -         50           Calcion Soft Bld 1         Malaysia         -         50           Capital City Broadcasters Pty Limited 1.4         Australia         100         100           Capito Michael Pty Limited 1.4					%	
Australian Poscers Pty Ltd   2			•		100	
Australian Provincial Newspapers International Pty Limited <sup>2.3</sup> Australia 100 100 Australian Radio Network Pty Limited <sup>1.4</sup> Australia 50 50 50 Australian Radio Network Sales Pty Ltd <sup>1.4</sup> Australia 50 50 Biffin Pty Limited <sup>2.5</sup> Australia 50 50 Biffin Pty Limited <sup>2.5</sup> Australia 50 50 Biffin Pty Limited <sup>2.5</sup> Australia 50 50 Border Newspapers Pty Ltd <sup>2.4</sup> Australia 50 50 50 Border Newspapers Pty Ltd <sup>2.5</sup> Australia 100 1000 Briesbane FM Radio Pty Ltd <sup>1.5</sup> Australia 100 1000 Briesbane FM Radio Pty Ltd <sup>1.5</sup> Australia 100 1000 The Bundaberg Newspaper Company Pty Ltd <sup>2.5</sup> Australia 100 1000 Buspak Advertising (Company Pty Limited <sup>2.3</sup> Australia 100 1000 Buspak Advertising (Company Pty Ltd <sup>2.5</sup> Australia 100 1000 Buspak Advertising (Singapore) Pty Ltd <sup>2.5</sup> Australia 100 1000 Buspak Advertising (Singapore) Pty Ltd <sup>2.5</sup> Australia 100 1000 Buspak Advertising (Singapore) Pty Ltd <sup>2.5</sup> Australia 100 1000 Buspak Advertising (Singapore) Pty Ltd <sup>2.5</sup> Australia 100 1000 Calcom San Bid <sup>2.1</sup> Malaysia - 50 Campus Review Pty Ltd <sup>3</sup> Australia 100 1000 Capital City Broadcasters Pty Limited <sup>3.4</sup> Australia 100 1000 Capital City Broadcasters Pty Limited <sup>3.4</sup> Australia 100 1000 Capital City Broadcasters Pty Limited <sup>3.4</sup> Australia 100 1000 Capital City Broadcasters Pty Limited <sup>3.4</sup> Australia 100 1000 Capital City Broadcasters Pty Limited <sup>3.4</sup> Australia 100 1000 Capital City Broadcasters Pty Limited <sup>3.4</sup> Australia 100 1000 Capital City Broadcasters Pty Limited <sup>3.4</sup> Australia 100 1000 Cody Cardeory (Manufacturing) Pty Ltd <sup>3.5</sup> Australia 100 1000 Central Coast Broadcasting Pty <sup>3.4</sup> Australia 100 1000 Central Coast Broadcasting Pty Ltd <sup>3.4</sup> Australia 100 1000 Cody Cuty Ltd <sup>3.5</sup> Australia 100 1000 Cody Cuty Lt					100	
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Australian Radio Network Sales Pty Ltd 1-4         Australia         100         100           Bliffin Pty Limited 2-3         Australia         100         100           Blue Mountains Broadcasters Pty Limited 1-4         Australia         50         50           Border Newspapers Pty Ltd 1-9         Australia         100         100           Brisbane FM Radio Pty Ltd 1-9         Australia         100         100           The Brisbane Publishing Company Pty Ltd 2-1         Australia         100         100           Buspak Advertising (China) Limited         Hong Kong         100         100           Buspak Advertising Group Pty Ltd 2-3         Australia         100         100           Buspak Advertising Group Pty Ltd 2-3         Australia         100         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Byron Shire News Pty Ltd 2-3         Australia         100         100           Calcom Son Bhd 1-1         Mastralia         100         100           Calcom Son Bhd 1-2         Australia         100         100           Capital City Broadcasters Pty Limited 1-4         Australia         100         100           Capital City Broadcasters Pty Limited 1-4         Australia <t< td=""><td></td><td>* *</td><td></td><td></td><td></td></t<>		* *				
Biffin Pry Limited 2-3         Australia         100         100           Blue Mountains Broadcasters Pry Limited 1-4         Australia         50         50           Border Newspapers Pry Ltd 2         Australia         100         100           Brisbane FM Radio Pry Ltd 1-5         Australia         25         25           The Brisbane Publishing Company Pry Ltd 2-3         Australia         100         100           Buspak Advertising (China) Limited 2         Australia         100         100           Buspak Advertising (Singapore) Pre Ltd         Singapore         -         100           Byron Shire News Pry Ltd 2         Australia         100         100           Byron Shire News Pry Ltd 2         Australia         100         100           Calcom Sdn Bhd 11         Malaysia         -         50           Campus Review Pry Ltd 2         Australia         100         100           Capital City Broadcasters Pry Limited 1-4         Australia         100         100           Capital City Broadcasters Pry Limited 1-5         Australia         100         100           Capital City Broadcasters Pry Limited 1-5         Australia         50         50           Capital Malaysia         -         -         4         100 <td></td> <td>•</td> <td></td> <td></td> <td>50</td>		•			50	
Blue Mountains Broadcasters Pty Limited <sup>1, 4</sup> Australia         50           Border Newspapers Pty Ltd <sup>1, 2</sup> Australia         100         100           Brisbane FM Radio Pty Ltd <sup>1, 2</sup> Australia         100         100           The Brisbane Publishing Company Pty Ltd <sup>2</sup> Australia         100         100           Buspak Advertising (China) Limited         Hong Kong         100         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Byson Shire News Pty Ltd <sup>2</sup> Australia         100         100           Calcom Shire Swe Pty Ltd <sup>2</sup> Australia         100         100           Calcom Shire News Pty Ltd <sup>2</sup> Australia         100         100           Calcom Shire News Pty Ltd <sup>2</sup> Australia         100         100           Calcom Shire Swe Pty Ltd <sup>2</sup> Australia         100         100           Calcom Shire Swe Pty Ltd <sup>2</sup> Australia         100         100           Captice Media Pty Limited <sup>3</sup> Australia         100         100           Captice Media Pty Limited <sup>3</sup> Australia         100         100 <td></td> <td></td> <td></td> <td></td> <td>50</td>					50	
Border Newspapers Pty Ltd²         Australia         100           Brisbane FM Radio Pty Ltd¹²         Australia         25         25           The Brisbane Publishing Company Pty Ltd²         Australia         100         100           The Brisbane Publishing Company Pty Limited³         Australia         100         100           Buspak Advertising (China) Limited         Hong Kong         100         100           Buspak Advertising Group Pty Ltd⁴³         Australia         100         100           Buspak Advertising (Gingapore) Pte Ltd         Singapore         -         100           Buspak Advertising (Gingapore) Pte Ltd         Singapore         -         100           Buspak Advertising (Gingapore) Pte Ltd³         Australia         100         100           Buspak Advertising (Gingapore) Pte Ltd³         Australia         100         100           Calcoms Shire News Pty Ltd³         Australia         100         100           Calcoms Shire News Pty Ltd³         Australia         100         100           Captive Media Pty Limited³         Australia         100         100           Captive Media Pty Limited³         Australia         100         100           Central Coast Broadcasting Pty Ltd³         Australia         100 <td< td=""><td></td><td>•</td><td></td><td></td><td></td></td<>		•				
Brisbane FM Radio Pty Ltd ¹·5         Australia         25         25           The Brisbane Publishing Company Pty Ltm²         Australia         100         100           The Bundaberg Newspaper Company Pty Limited ²·³         Australia         100         100           Buspak Advertising (China) Limited         Hong Kong         100         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Byron Shire News Pty Ltd²         Australia         100         100           Byron Shire News Pty Ltd²         Australia         100         100           Calcom Sdn Bhd¹¹         Australia         50         50           Caprical Gity Broadcasters Pty Ltd²         Australia         50         50           Capricornia Newspapers Pty Ltd²         Australia         100         100           Capricornia Newspapers Pty Ltd²         Australia         100         100           Capricornia Newspapers Pty Limited²         Australia         100         100           Carbicorp (Manufacturing) Pty Limited²         Australia         100         100           Central Coast Broadcasting Pty Ltd²         Australia         100         100           Central Coast Broadcasting Pty Ltd²         Australia         100 <td></td> <td>•</td> <td></td> <td></td> <td>50</td>		•			50	
The Brisbane Publishing Company Pty Limited <sup>2.3</sup> Australia         100           The Bundaberg Newspaper Company Pty Limited <sup>2.3</sup> Australia         100           Buspak Advertising (China) Limited         Hong Kong         100           Buspak Advertising Group Pty Ltd <sup>2.3</sup> Australia         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Byron Shire News Pty Ltd <sup>2</sup> Australia         100         100           Calcom Shi Bhd <sup>11</sup> Malaysia         -         50           Campus Review Pty Ltd <sup>2</sup> Australia         100         100           Capriced Gity Broadcasters Pty Limited <sup>1,4</sup> Australia         100         100           Caprice Media Pty Limited <sup>2</sup> Australia         100         100           Cardcorp (Manufacturing) Pty Limited <sup>1</sup> Australia         100         100           Central Coast Broadcasting Pty <sup>1,4</sup> Australia         100         100           Central Queensland News Publishing Company Pty Ltd <sup>2</sup> Australia         100         100           Cohy Link Pty Ltd <sup>2,3</sup> Australia         100         100           Cody Outdoor International (HK) Limited <sup>7</sup> Hong Kong         50         50 </td <td></td> <td></td> <td>Australia</td> <td>100</td> <td>100</td>			Australia	100	100	
The Bundaberg Newspaper Company Pty Limited 2.3         Australia         100         100           Buspak Advertising (China) Limited         Hong Kong         100         100           Buspak Advertising (Singapore) Pte Ltd         Australia         100         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Byron Shire News Pty Ltd 3         Australia         100         100           Calcom Sdn Bhd 11         Malaysia         -         50           Campus Review Pty Ltd 2         Australia         100         100           Capital City Broadcasters Pty Limited 1.4         Australia         100         100           Capital City Broadcasters Pty Limited 2         Australia         100         100           Captice Media Pty Limited 2         Australia         100         100           Cardcorp (Manufacturing) Pty Limited 1         Australia         100         100           Central Coast Broadcasting Pty Ltd 2         Australia         100         100           Central Queensland News Publishing Company Pty Ltd 3         Australia         100         100           Central Telegraph Pty Ltd 2         Australia         100         100           Cody Link Pty Ltd 23         Australia		· · · · · · · · · · · · · · · · · · ·	Australia	25	25	
Buspak Advertising (China) Limited         Hong Kong         100           Buspak Advertising (Group Pty Ltd²-3         Australia         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Byron Shire News Pty Ltd²         Australia         100         100           Calcom Sdn Bhd¹¹¹         Malaysia         -         50           Campus Review Pty Ltd²         Australia         100         100           Capital City Broadcasters Pty Limited¹¹         Australia         100         100           Capricornia Newspapers Pty Ltd²-3         Australia         100         100           Captive Media Pty Limited²         Australia         100         100           Cardcorp (Manufacturing) Pty Limited¹         Australia         100         100           Central Queensland News Publishing Company Pty Ltd²         Australia         100         100           Central Plegraph Pty Ltd²²         Australia         100         100           Contral Flegraph Pty Ltd²²         Australia         100         100           Cody Link Pty Ltd²³³         Australia         100         100           Cody Codoor International (HK) Limited ³         Hong Kong         50         50           Coffs Coast			Australia	100	100	
Buspak Advertising Group Pty Ltd 2-3         Australia         100         100           Buspak Advertising (Singapore) Pte Ltd         Singapore         -         100           Byron Shire News Pty Ltd 2         Australia         100         100           Calcom Sdn Bhd 11         Malaysia         -         50           Campus Review Pty Ltd 2         Australia         100         100           Capital Gity Broadcasters Pty Limited 1-4         Australia         100         100           Captice Media Pty Limited 2-2         Australia         100         100           Captice Media Pty Limited 3-3         Australia         100         100           Cardcorp (Manufacturing) Pty Limited 4-3         Australia         100         100           Central Coast Broadcasting Pty 1-4-4         Australia         100         100           Central Queensland News Publishing Company Pty Ltd 2-4         Australia         100         100           Central Telegraph Pty Ltd 2-4         Australia         100         100           Chinchilla Newspapers Pty Ltd 3-3         Australia         100         100           Cody Link Pty Ltd 3-3         Australia         100         100           Cody Counter International (HK) Limited 7-4         Hong Kong         50 <td></td> <td></td> <td>Australia</td> <td>100</td> <td>100</td>			Australia	100	100	
Buspak Advertising (Singapore) Pre Ltd         Singapore         -         100           Byron Shire News Pry Ltd²         Australia         100         100           Calcom Sdn Bhd¹¹         Malaysia         -         50           Campus Review Pty Ltd²         Australia         100         100           Capital City Broadcasters Pty Limited¹.4         Australia         50         50           Capticornia Newspapers Pty Ltd².3         Australia         100         100           Cardcorp (Manufacturing) Pty Limited¹         Australia         100         100           Cardcorp (Manufacturing) Pty Limited¹         Australia         100         100           Central Coast Broadcasting Pty ¹.4         Australia         100         100           Central Queensland News Publishing Company Pty Ltd²         Australia         100         100           Central Telegraph Pty Ltd²²         Australia         100         100           Central Telegraph Pty Ltd²²         Australia         100         100           Cohy Link Pty Ltd²²³         Australia         100         100           Cody Link Pty Ltd²²³         Australia         100         100           Coffs Coast RE Marketing Pty Ltd²³         Australia         70         70		-	Hong Kong	100	100	
Byron Shire News Pty Ltd²         Australia         100         100           Calcom Sdn Bhd¹¹         Malaysia         -         50           Campus Review Pty Ltd²         Australia         100         100           Caprital City Broadcasters Pty Limited¹⁴         Australia         50         50           Capricornia Newspapers Pty Ltd²³         Australia         100         100           Captive Media Pty Limited²         Australia         100         100           Cardcorp (Manufacturing) Pty Limited¹         Australia         50         50           Central Coast Broadcasting Pty ¹-⁴         Australia         100         100           Central Queensland News Publishing Company Pty Ltd²         Australia         100         100           Central Telegraph Pty Ltd²²         Australia         100         100           Chinchilla Newspapers Pty Ltd²²         Australia         100         100           Cody Link Pty Ltd²³         Australia         100         100           Cody Outdoor International (HK) Limited ¹¹         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd²         Australia         50         50           Covette Investments Pty Ltd²²         Australia         100         100		Buspak Advertising Group Pty Ltd <sup>2, 3</sup>	Australia	100	100	
Calcom Sdn Bhd 11         Malaysia         -         50           Campus Review Pty Ltd 2         Australia         100         100           Capital City Broadcasters Pty Limited 1.4         Australia         50         50           Capricornia Newspapers Pty Ltd 2.3         Australia         100         100           Captive Media Pty Limited 2         Australia         100         100           Cardcorp (Manufacturing) Pty Limited 1         Australia         100         100           Central Coast Broadcasting Pty Limited 3         Australia         100         100           Central Queensland News Publishing Company Pty Ltd 2         Australia         100         100           Central Telegraph Pty Ltd 2         Australia         100         100           Central Telegraph Pty Ltd 2         Australia         100         100           Chinchilla Newspapers Pty Ltd 2         Australia         100         100           Cody Link Pty Ltd 2.3         Australia         100         100           Cody Outdoor International (HK) Limited 7         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         100         100           Douls Commonwealth Broadcasting Corporation Pty Ltd 1.4         Australia		Buspak Advertising (Singapore) Pte Ltd	Singapore	-	100	
Campus Review Pty Ltd 2         Australia         100         100           Capital City Broadcasters Pty Limited 1.4         Australia         50         50           Capricornia Newspapers Pty Ltd 2.3         Australia         100         100           Captive Media Pty Limited 2         Australia         100         100           Cardcorp (Manufacturing) Pty Limited 1         Australia         50         50           Central Coast Broadcasting Pty 1.4         Australia         100         100           Central Queensland News Publishing Company Pty Ltd 2         Australia         100         100           Central Telegraph Pty Ltd 2         Australia         100         100           Chinchilla Newspapers Pty Ltd 2         Australia         100         100           Cody Link Pty Ltd 2.3         Australia         100         100           Cody Outdoor International (HK) Limited 7         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         70         70           Commonwealth Broadcasting Corporation Pty Ltd 1.4         Australia         100         100           Daily Commercial News Pty Ltd 2         Australia         100         100           The Daily Examiner Pty Ltd 2         Australia		Byron Shire News Pty Ltd <sup>2</sup>	Australia	100	100	
Capital City Broadcasters Pty Limited <sup>1,4</sup> Australia         50         50           Capricornia Newspapers Pty Ltd <sup>2,3</sup> Australia         100         100           Captive Media Pty Limited <sup>2</sup> Australia         100         100           Cardcorp (Manufacturing) Pty Limited <sup>1</sup> Australia         100         100           Central Coast Broadcasting Pty <sup>1,4</sup> Australia         50         50           Central Queensland News Publishing Company Pty Ltd <sup>2</sup> Australia         100         100           Central Telegraph Pty Ltd <sup>2</sup> Australia         100         100           Chinchilla Newspapers Pty Ltd <sup>2</sup> Australia         100         100           Cody Link Pty Ltd <sup>2,3</sup> Australia         100         100           Cody Outdoor International (HK) Limited <sup>7</sup> Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         70         70           Commonwealth Broadcasting Corporation Pty Ltd <sup>1,4</sup> Australia         100         100           Daily Commercial News Pty Ltd <sup>2,3</sup> Australia         100         100           The Daily Examiner Pty Ltd <sup>2,4</sup> Australia         100         100           DON (Electronic Services) Pty L		Calcom Sdn Bhd 11	Malaysia	-	50	
Capricornia Newspapers Pty Ltd².3         Australia         100         100           Captive Media Pty Limited²         Australia         100         100           Cardcorp (Manufacturing) Pty Limited¹         Australia         100         100           Central Coast Broadcasting Pty¹.⁴         Australia         50         50           Central Queensland News Publishing Company Pty Ltd²         Australia         100         100           Central Telegraph Pty Ltd²²         Australia         100         100           Chinchilla Newspapers Pty Ltd²²         Australia         100         100           Chinchilla Newspapers Pty Ltd²         Australia         100         100           Cody Link Pty Ltd²²         Australia         100         100           Cody Cutdoor International (HK) Limited 7         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         70         70           Commonwealth Broadcasting Corporation Pty Ltd¹.⁴         Australia         100         100           Daily Commercial News Pty Litd²         Australia         100         100           The Daily Examiner Pty Ltd²         Australia         100         100           Dalby Herald Pty Ltd²         Australia         100		Campus Review Pty Ltd <sup>2</sup>	Australia	100	100	
Captive Media Pty Limited²         Australia         100         100           Cardcorp (Manufacturing) Pty Limited¹         Australia         100         100           Central Coast Broadcasting Pty¹¹⁴         Australia         50         50           Central Queensland News Publishing Company Pty Ltd²         Australia         100         100           Central Telegraph Pty Ltd²         Australia         100         100           Chinchilla Newspapers Pty Ltd²         Australia         100         100           Cody Link Pty Ltd²³         Australia         100         100           Cody Link Pty Ltd²³         Australia         100         100           Cody Outdoor International (HK) Limited³         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         70         70           Commonwealth Broadcasting Corporation Pty Ltd¹⁴⁴         Australia         100         100           Daily Commercial News Pty Limited²⁴³         Australia         100         100           The Daily Examiner Pty Ltd²²         Australia         100         100           DEN (Electronic Services) Pty Ltd²         Australia         100         100           Double T Radio Pty Ltd¹⁴         Australia         50         <		Capital City Broadcasters Pty Limited 1,4	Australia	50	50	
Cardcorp (Manufacturing) Pty Limited ¹         Australia         100         100           Central Coast Broadcasting Pty ¹.⁴         Australia         50         50           Central Queensland News Publishing Company Pty Ltd ²         Australia         100         100           Central Telegraph Pty Ltd ²         Australia         100         100           Chinchilla Newspapers Pty Ltd ²         Australia         100         100           Cody Link Pty Ltd ².³         Australia         100         100           Cody Outdoor International (HK) Limited ¹         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         70         70           Commonwealth Broadcasting Corporation Pty Ltd ¹.⁴         Australia         50         50           Covette Investments Pty Limited ².³         Australia         100         100           Daily Commercial News Pty Ltd ²         Australia         100         100           The Daily Examiner Pty Ltd ²         Australia         100         100           DCN (Electronic Services) Pty Ltd ²         Australia         100         100           Double T Radio Pty Ltd ¹.⁴         Australia         100         50           Eastcott Investments Pty Ltd ².³         Australia		Capricornia Newspapers Pty Ltd <sup>2, 3</sup>	Australia	100	100	
Central Coast Broadcasting Pty 1.4Australia5050Central Queensland News Publishing Company Pty Ltd 2Australia100100Central Telegraph Pty Ltd 2Australia100100Chinchilla Newspapers Pty Ltd 2Australia100100Cody Link Pty Ltd 2.3Australia100100Cody Outdoor International (HK) Limited 7Hong Kong5050Coffs Coast RE Marketing Pty LtdAustralia7070Commonwealth Broadcasting Corporation Pty Ltd 1.4Australia5050Covette Investments Pty Limited 2.3Australia100100Daily Commercial News Pty Ltd 2Australia100100The Daily Examiner Pty Ltd 2Australia100100DDN (Electronic Services) Pty Ltd 2Australia100100DCN (Electronic Services) Pty Ltd 2Australia100100Double T Radio Pty Ltd 1.4Australia5050Eastcott Investments Pty Ltd 2.3Australia100100Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1.4Australia5050		Captive Media Pty Limited <sup>2</sup>	Australia	100	100	
Central Queensland News Publishing Company Pty Ltd 2Australia100100Central Telegraph Pty Ltd 2Australia100100Chinchilla Newspapers Pty Ltd 2Australia100100Cody Link Pty Ltd 2.3Australia100100Cody Outdoor International (HK) Limited 7Hong Kong5050Coffs Coast RE Marketing Pty LtdAustralia7070Commonwealth Broadcasting Corporation Pty Ltd 1.4Australia5050Covette Investments Pty Limited 2.3Australia100100Daily Commercial News Pty Ltd 2Australia100100The Daily Examiner Pty Ltd 2Australia100100Dalby Herald Pty Ltd 2Australia100100DCN (Electronic Services) Pty Ltd 2Australia100100Double T Radio Pty Ltd 1.4Australia5050Eastcott Investments Pty Ltd 2.3Australia100100Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1.4Australia100100		Cardcorp (Manufacturing) Pty Limited <sup>1</sup>	Australia	100	100	
Central Telegraph Pty Ltd 2         Australia         100         100           Chinchilla Newspapers Pty Ltd 2         Australia         100         100           Cody Link Pty Ltd 23         Australia         100         100           Codf Outdoor International (HK) Limited 7         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         70         70           Commonwealth Broadcasting Corporation Pty Ltd 14         Australia         50         50           Covette Investments Pty Limited 23         Australia         100         100           Daily Commercial News Pty Ltd 2         Australia         100         100           The Daily Examiner Pty Ltd 2         Australia         100         100           Dalby Herald Pty Ltd 2         Australia         100         100           DCN (Electronic Services) Pty Ltd 2         Australia         50         50           Eastcott Investments Pty Ltd 23         Australia         50         50           Eastcott Investments Pty Ltd 23         Australia         100         100           Esky Limited         New Zealand         100         50           Everfact Pty Limited 2         Australia         100         100		Central Coast Broadcasting Pty 1,4	Australia	50	50	
Chinchilla Newspapers Pty Ltd 2         Australia         100         100           Cody Link Pty Ltd 2.3         Australia         100         100           Cody Outdoor International (HK) Limited 7         Hong Kong         50         50           Coffs Coast RE Marketing Pty Ltd         Australia         70         70           Commonwealth Broadcasting Corporation Pty Ltd 1.4         Australia         50         50           Covette Investments Pty Limited 2.3         Australia         100         100           Daily Commercial News Pty Ltd 2         Australia         100         100           The Daily Examiner Pty Ltd 2         Australia         100         100           Dalby Herald Pty Ltd 2         Australia         100         100           DCN (Electronic Services) Pty Ltd 2         Australia         100         100           DOWILD T Radio Pty Ltd 1.4         Australia         50         50           Eastcott Investments Pty Ltd 2.3         Australia         100         100           Esky Limited         New Zealand         100         100           Everfact Pty Limited 2         Australia         100         100           Everfact Unit Trust         Australia         100         100           50		Central Queensland News Publishing Company Pty Ltd <sup>2</sup>	Australia	100	100	
Cody Link Pty Ltd 2.3Australia100100Cody Outdoor International (HK) Limited 7Hong Kong5050Coffs Coast RE Marketing Pty LtdAustralia7070Commonwealth Broadcasting Corporation Pty Ltd 1.4Australia5050Covette Investments Pty Limited 2.3Australia100100Daily Commercial News Pty Ltd 2Australia100100The Daily Examiner Pty Ltd 2Australia100100Dalby Herald Pty Ltd 2Australia100100DCN (Electronic Services) Pty Ltd 2Australia100100Double T Radio Pty Ltd 1.4Australia5050Eastcott Investments Pty Ltd 2.3Australia100100Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1.4Australia5050		Central Telegraph Pty Ltd <sup>2</sup>	Australia	100	100	
Cody Outdoor International (HK) Limited 7Hong Kong5050Coffs Coast RE Marketing Pty LtdAustralia7070Commonwealth Broadcasting Corporation Pty Ltd 1,4Australia5050Covette Investments Pty Limited 2,3Australia100100Daily Commercial News Pty Ltd 2Australia100100The Daily Examiner Pty Ltd 2Australia100100Dalby Herald Pty Ltd 2Australia100100DCN (Electronic Services) Pty Ltd 2Australia100100Double T Radio Pty Ltd 1,4Australia5050Eastcott Investments Pty Ltd 2,3Australia100100Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1,4Australia5050		Chinchilla Newspapers Pty Ltd <sup>2</sup>	Australia	100	100	
Coffs Coast RE Marketing Pty Ltd Commonwealth Broadcasting Corporation Pty Ltd <sup>1,4</sup> Commonwealth Broadcasting Corporation Pty Ltd <sup>1,4</sup> Covette Investments Pty Limited <sup>2,3</sup> Covette Investments Pty Limited <sup>2,3</sup> Australia 100 Daily Commercial News Pty Ltd <sup>2</sup> Australia 100 The Daily Examiner Pty Ltd <sup>2</sup> Australia 100 Dalby Herald Pty Ltd <sup>2</sup> Australia 100 DCN (Electronic Services) Pty Ltd <sup>2</sup> Australia 100 Double T Radio Pty Ltd <sup>1,4</sup> Australia 50 Eastcott Investments Pty Ltd <sup>2,3</sup> Australia 100 Esky Limited New Zealand New Zealand 100 Everfact Pty Limited <sup>2</sup> Australia 100 Everfact Unit Trust Australia 100 100 Australia 100 100 50 Everfact Unit Trust Australia 100 100 50 50 50 50 50 50 50 50 50 50 50 50 5		Cody Link Pty Ltd <sup>2,3</sup>	Australia	100	100	
Commonwealth Broadcasting Corporation Pty Ltd 1,4  Covette Investments Pty Limited 2,3  Australia  Australia  100  100  Daily Commercial News Pty Ltd 2  Australia  100  100  The Daily Examiner Pty Ltd 2  Australia  100  Dalby Herald Pty Ltd 2  Australia  100  DCN (Electronic Services) Pty Ltd 2  Australia  100  Double T Radio Pty Ltd 1,4  Australia  50  Eastcott Investments Pty Ltd 2,3  Eastcott Investments Pty Ltd 2,3  Esky Limited  New Zealand  New Zealand  100  Everfact Pty Limited 2  Australia  100  100  50  Everfact Unit Trust  Australia  100  100  50  Everfact Unit Trust  Australia  100  100  50  Everfact Ompany Pty Ltd 1,4  Australia  100  100  50  Everfact Ompany Pty Ltd 1,4  Australia  100  100  50  Everfact Ompany Pty Ltd 1,4  Australia  50  50  50		Cody Outdoor International (HK) Limited <sup>7</sup>	Hong Kong	50	50	
Covette Investments Pty Limited 2,3Australia100100Daily Commercial News Pty Ltd 2Australia100100The Daily Examiner Pty Ltd 2Australia100100Dalby Herald Pty Ltd 2Australia100100DCN (Electronic Services) Pty Ltd 2Australia100100Double T Radio Pty Ltd 1,4Australia5050Eastcott Investments Pty Ltd 2,3Australia100100Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1,4Australia5050		Coffs Coast RE Marketing Pty Ltd	Australia	70	70	
Daily Commercial News Pty Ltd 2Australia100100The Daily Examiner Pty Ltd 2Australia100100Dalby Herald Pty Ltd 2Australia100100DCN (Electronic Services) Pty Ltd 2Australia100100Double T Radio Pty Ltd 1,4Australia5050Eastcott Investments Pty Ltd 2,3Australia100100Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1,4Australia5050		Commonwealth Broadcasting Corporation Pty Ltd 1,4	Australia	50	50	
The Daily Examiner Pty Ltd 2 Dalby Herald Pty Ltd 2 Australia 100 100 DCN (Electronic Services) Pty Ltd 2 Australia 100 100 Double T Radio Pty Ltd 1,4 Australia 50 Eastcott Investments Pty Ltd 2,3 Australia 100 Esky Limited New Zealand New Zealand Everfact Pty Limited 2 Australia 100 Everfact Unit Trust Australia 100 100 Australia 100 100 50 Everfact Unit Trust Australia 100 100 50 50 50 50		Covette Investments Pty Limited 2,3	Australia	100	100	
Dalby Herald Pty Ltd <sup>2</sup> DCN (Electronic Services) Pty Ltd <sup>2</sup> Australia Double T Radio Pty Ltd <sup>1,4</sup> Australia Double T Radio Pty Ltd <sup>2,3</sup> Eastcott Investments Pty Ltd <sup>2,3</sup> Australia Australia Double T Radio Pty Ltd <sup>2,3</sup> Australia Double T Radio Pty Ltd <sup>2,4</sup> Australia		Daily Commercial News Pty Ltd <sup>2</sup>	Australia	100	100	
DCN (Electronic Services) Pty Ltd 2 Australia 100 100 Double T Radio Pty Ltd 1,4 Australia 50 Eastcott Investments Pty Ltd 2,3 Australia 100 100 Esky Limited New Zealand New Zealand 100 100 Everfact Pty Limited 2 Australia 100 Everfact Unit Trust Australia 100 100 5AD Broadcasting Company Pty Ltd 1,4 Australia 50 50		The Daily Examiner Pty Ltd <sup>2</sup>	Australia	100	100	
Double T Radio Pty Ltd 1,4Australia5050Eastcott Investments Pty Ltd 2,3Australia100100Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1,4Australia5050		Dalby Herald Pty Ltd <sup>2</sup>	Australia	100	100	
Eastcott Investments Pty Ltd <sup>2,3</sup> Australia 100 100 Esky Limited New Zealand 100 50 Everfact Pty Limited <sup>2</sup> Australia 100 100 Everfact Unit Trust Australia 100 100 5AD Broadcasting Company Pty Ltd <sup>1,4</sup> Australia 50 50		DCN (Electronic Services) Pty Ltd <sup>2</sup>	Australia	100	100	
Esky LimitedNew Zealand10050Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1,4Australia5050		· · · · · · · · · · · · · · · · · · ·	Australia	50	50	
Everfact Pty Limited 2Australia100100Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1,4Australia5050		Eastcott Investments Pty Ltd <sup>2, 3</sup>	Australia	100	100	
Everfact Unit TrustAustralia1001005AD Broadcasting Company Pty Ltd 1,4Australia5050		•	New Zealand	100	50	
5AD Broadcasting Company Pty Ltd <sup>1,4</sup> Australia <b>50</b> 50		Everfact Pty Limited <sup>2</sup>	Australia	100	100	
		Everfact Unit Trust	Australia	100	100	
Focus Communications Limited 8 Hong Kong 50 50		5AD Broadcasting Company Pty Ltd 1,4	Australia	50	50	
		Focus Communications Limited 8	Hong Kong	50	50	

		Country of incorporation	Equity holding	
22.	INVESTMENTS IN CONTROLLED ENTITIES (continued)	or formation	2009	2008
			%	%
	Focus Panel Advertising Limited 8	Hong Kong	45	45
	Gatton Star Pty Ltd <sup>2</sup>	Australia	100	100
	Gergdaam Capital Pty Limited 2,3	Australia	100	100
	Gladstone Newspaper Company Pty Ltd <sup>2</sup>	Australia	100	100
	The Gold Coast Press Pty Limited <sup>2</sup>	Australia	100	100
	GSP Print Pty Ltd <sup>2</sup>	Australia	100	100
	Gulgong Pty Limited 2,3	Australia	100	100
	Gympie Times Pty Ltd <sup>2</sup>	Australia	100	100
	Haswell Pty Limited <sup>2, 3</sup>	Australia	100	100
	The Hive Online Limited	New Zealand	100	100
	The Internet Amusements Group Pty Limited 1,4	Australia	50	50
	Jupiter Outdoor Network Sdn Bhd 9	Malaysia	-	50
	KAFM Broadcasters Proprietary Limited 1,4	Australia	50	50
	Kelly Publications Pty Ltd <sup>2</sup>	Australia	100	100
	Kurnia Outdoor Production Sdn Bhd 10	Malaysia	-	50
	Kurnia Outdoor Sdn Bhd <sup>9</sup>	Malaysia	-	50
	Level 4 Investments Pty Limited <sup>2</sup>	Australia	100	100
	The Level 4 Partnership	Australia	100	100
	Longbeach Publications Pty Ltd <sup>2</sup>	Australia	100	100
	Longbeach Publications Unit Trust	Australia	100	100
	Lokasi Sejagat Sdn Bhd 11	Malaysia	-	50
	The Mackay Printing and Publishing Company Pty Limited 2,3	Australia	100	100
	The Maryborough Hervey Bay Newspaper Company Pty Ltd 2,3	Australia	100	100
	Marnin Limited 13	Ireland	-	-
	Media Tek Pty Limited <sup>2, 3</sup>	Australia	100	100
	Melbourne Independent Newspapers Pty Ltd <sup>2</sup>	Australia	100	100
	Michael Nettlefold Pty Ltd <sup>2</sup>	Australia	100	100
	Mt Maunganui Publishing Co Limited	New Zealand	100	100
	National Outdoor Advertising Pty Limited <sup>2</sup>	Australia	100	100
	Nettlefold Advertising Pty Ltd <sup>2</sup>	Australia	100	100
	Nettlefold Outdoor Advertising Trust	Australia	100	100
	New Hobsons Press Pty Limited	Australia	100	100
	New Zealand Radio Network Limited 1,4	New Zealand	50	50
	North Coast News Pty Ltd <sup>2</sup>	Australia	100	100
	Northern Star Ltd <sup>2,3</sup>	Australia	100	100
	Observer Times (Hervey Bay) Pty Ltd <sup>2</sup>	Australia	100	100
	Outdoor Network Co Ltd	Thailand	100	100
	Peterhouse Proprietary Limited <sup>2</sup>	Australia	100	100
	Provincial Investments Pty Ltd <sup>2, 3</sup>	Australia	100	100
	PT Rainbow Asia Posters 12	Indonesia	50	50
	The Queensland Times Pty Limited <sup>2, 3</sup>	Australia	100	100
	The Radio Bureau Limited 1,4	New Zealand	50	50
	The Radio Network Limited 1,4	New Zealand	50	50

	Country of incorporation	Equity	holding
22. INVESTMENTS IN CONTROLLED ENTITIES (continued)	or formation	2009	2008
D. J De. J. J. J. 4	A	% 50	%
Radiowise Pty Ltd <sup>1,4</sup>	Australia Australia	50 100	50
Reach Network Pty Ltd <sup>2</sup>	Australia New Zealand		100
Regional Publishers Limited		100	100
Regmax Pty Limited 1,4	Australia	50	50
Sabawin Pty Limited <sup>2</sup>	Australia	100	100
Sell Me Free Limited	New Zealand	100	50
Skyten Marketing Sdn Bhd 11	Malaysia	-	50
SOL Australia Pty Ltd <sup>2</sup>	Australia	100	100
The South Burnett Times Pty Ltd <sup>2</sup>	Australia	100	100
Southern State Broadcasters Pty Limited 1,4	Australia	50	50
Speedlink Services Pty Ltd 1,4	Australia	50	50
Stanley Newcomb & Co Limited	New Zealand	100	100
Stanthorpe Newspapers Services Unit Trust	Australia	100	100
Style Magazines Pty Ltd 14	Australia	50	50
SunCoastal FM Radio Pty Ltd 1,4	Australia	50	50
Sunshine Coast Newspaper Company Pty Ltd <sup>2, 3</sup>	Australia	100	100
Taxi Top Advertising Co Ltd	Thailand	100	100
Taximedia (Hong Kong) Limited 7	Hong Kong	50	50
Taximedia Pty Ltd <sup>2</sup>	Australia	100	100
TMS Outdoor Advertising Pty Limited <sup>2</sup>	Australia	100	100
Toowoomba Newspapers Pty Ltd <sup>2,3</sup>	Australia	100	100
Total Cab Media Pty Ltd	Australia	100	100
Trade Debts Collecting Co Limited	New Zealand	100	100
Transit Video Enterprises Pty Limited	Australia	100	100
The Tweed Newspaper Co Pty Ltd <sup>2</sup>	Australia	100	100
Universal Outdoor Co Ltd	Thailand	100	100
Universal Outdoor Pty Limited <sup>2, 3</sup>	Australia	100	100
Universal Radio Pty Ltd 1,4	Australia	50	50
Valtoff Pty Limited 2,3	Australia	100	100
The Warwick Newspaper Pty Limited 2,3	Australia	100	100
Wawasan Kilat Sdn Bhd 11	Malaysia	-	50
Wesgo 1,4	Australia	50	50
West Sydney Radio Pty Ltd 1,4	Australia	50	50
Westat Research Pty Ltd <sup>1,4</sup>	Australia	50	50
Western Australia Investments Pty Ltd	Australia	100	100
Western Star Pty Ltd <sup>2</sup>	Australia	100	100
Whitsunday Times Unit Trust	Australia	75	75
Wilson & Horton Australia Pty Ltd <sup>1</sup>	Australia	100	100
Wilson & Horton Finance Pty Ltd <sup>2,3</sup>	Australia	100	100
Wilson & Horton Limited	New Zealand	100	100
Wilson & Horton Provident Nominees Limited	New Zealand		100
W&H Interactive Limited	New Zealand	100	100
Zodiac Australia Pty Ltd <sup>2</sup>	Australia	100	100
Zodiac Mustralia I ty Ltd	Australia	100	100

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### INVESTMENTS IN CONTROLLED ENTITIES (continued)

- <sup>1</sup> Denotes controlled entities audited by auditors other than PricewaterhouseCoopers.
- These companies are parties to a Deed of Cross Guarantee dated 5 December 2006 under which each company guarantees the debts of the others. These companies represent a Closed Group for the purposes of the Class Order. There are no other members of the Extended Closed Group. Covette Investments Pty Limited, Gergdaam Capital Pty Limited and Level 4 Investments Pty Limited were added to the Deed of Gross Guarantee by Assumption Deed dated 20 August 2009.
- <sup>3</sup> These wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.
- Under the shareholders agreement, whilst APN News & Media Limited holds 50% of the issued capital and is entitled to appoint 50% of the Directors, APN News & Media Limited has the right to appoint the chief executive of this entity and so exercises effective positive and sustained control over the financial policies of this entity.
- The Australian Radio Network Group has a 50% controlling interest in Brisbane FM Radio Pty Ltd, resulting in APN News & Media Limited having control of this entity and an effective interest of 25%.
- Under the shareholders agreement, whilst the immediate parent entity holds 50% of the issued capital and is entitled to appoint 50% of the Directors, the Executive Chairman of the controlled entity, who is a Director on the APN News & Media Limited Board, exercises positive and sustained control over the strategic and financial policies of this entity.
- These entities are 100% owned by Buspak Advertising (Hong Kong) Limited.
- Focus Communications Limited is 100% owned by Cody Outdoor International (HK) Limited. Focus Panel Advertising Limited is 90% owned by Buspak Advertising (Hong Kong) Limited.
- Under the shareholders agreement, APN News & Media Limited had the right to appoint 50% of the Directors and a Chairman who had the right to use a casting vote.
- <sup>10</sup> This entity was 100% owned by Kurnia Outdoor Sdn Bhd.
- <sup>11</sup> These entities were 100% owned by Jupiter Outdoor Network Sdn Bhd.
- 12 Under the memorandum of understanding, APN News & Media Limited has the right to appoint 50% of the Directors including the Vice President who has the authority to resolve any deadlocks between the shareholders.
- 13 The consolidated entity holds no equity interest in Marnin Limited but is deemed to exercise control in accordance with UIG Interpretation 112 Consolidation - Special Purpose Entities. Marnin Limited was established in 2005 to enter into a finance transaction on behalf of the Group. The debt owed by Marnin Limited is fully disclosed in the consolidated financial statements.
- 14 Under the shareholders agreement, the immediate parent entity, whilst it holds 50% of the issued capital, is entitled to appoint 50% of the Directors and the Chairman who has the right to use a casting vote.

Set out below is the consolidated income statement for the year ended 31 December 2009 for the Closed Group:

	2009 \$'000	2008 \$'000
	\$ 000	\$ 000
Revenue before finance income	421,469	471,138
Other income (including exceptional gains)	94,499	21,799
Expenses before finance costs (including impairment and other exceptional costs)	(382,079)	(388,651)
Finance income	646	954
Finance costs	(78,258)	(102,652)
Net finance costs	(77,612)	(101,698)
Share of profits of associates	3,225	7,299
Profit before income tax expense	59,502	9,887
Income tax credit	2,201	2,296
Profit from continuing operations	61,703	12,183
Profit attributable to minority interest	4	(72)
Profit attributable to owners of the parent entity	61,707	12,111
Accumulated losses		
Balance at beginning of the year	(545,417)	(411,596)
Profit attributable to owners of the parent entity	61,707	12,111
Transfer from foreign currency translation reserve	(3,002)	8,243
Opening retained profits of entities entering the Closed Group	2,801	-
Dividends paid	(58,850)	(154,175)
Balance at end of the year	(542,761)	(545,417)

Set out below is a consolidated balance sheet as at 31 December 2009 of the Closed Group:

	2009	2008
	\$'000	\$'000
Current assets		
Cash and cash equivalents	11,596	6,868
Receivables	275,623	606,959
Inventories	5,450	6,705
Tax assets	-	906
Other	7,798	8,512
Total current assets	300,467	629,950
Non-current assets		
Receivables	108,809	112,573
Other financial assets	497,380	490,612
Property, plant and equipment	132,071	125,980
Intangible assets	753,064	766,055
Other	39,244	39,482
Total non-current assets	1,530,568	1,534,702
Total assets	1,831,035	2,164,652
Current liabilities		
Payables	723,956	1,026,719
Derivative financial instruments	815	5,393
Interest bearing liabilities	2,166	-
Current tax provisions	10,594	-
Provisions	6,503	9,045
Total current liabilities	744,034	1,041,157
Non-current liabilities		
Payables	3,273	3,888
Interest bearing liabilities	637,832	787,314
Provisions	22,400	20,558
Total non-current liabilities	663,505	811,760
Total liabilities	1,407,539	1,852,917
Net assets	423,496	311,735
Equity		
Contributed equity	1,024,805	920,792
Reserves	(58,486)	(63,603)
Accumulated losses	(542,761)	(545,417)
		311,772
Total parent entity interest	423,378	
Total parent entity interest Minority interest	423,558 (62)	(37)

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### Acquisition of controlled entities

During 2009 there were no acquisitions of controlled entities.

Details of net assets acquired and goodwill are as follows:

	2009 \$'000	2008 \$'000
Purchase consideration		
Cash paid	-	5,871
Fair value of previously held equity interests	-	5,872
Contingent consideration	-	2,517
Total consideration	-	14,260
The fair value of the assets and liabilities arising from the acquisition are as follows:		
Cash and cash equivalents	-	451
Property, plant and equipment	-	927
Receivables	-	1,777
Payables	-	(9,473)
Provisions	-	(117)
Deferred tax assets	-	1,647
Intangible assets	-	512
Net identifiable assets acquired	-	(4,276)
Goodwill acquired	-	18,536
Total consideration	-	14,260
Details of the cash flow and consideration relating to the acquisitions were as follows:		
Outflow of cash to acquire business:		
Cash consideration	-	5,871
Add costs of the acquisition	-	145
	-	6,016
Less cash balances acquired	-	(451)
Outflow of cash	_	5,565

#### 23. INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Name of associate	Principal activity	Country of incorporation and principal place of business		ership erest	Consoli Carrying	
			2009	2008	2009	2008
			%	%	\$'000	\$'000
Adshel Street Furniture Pty Limited	Outdoor advertising	Australia	50	50	34,353	32,128
Pan TV Ltd	Television production	Australia	-	30	-	1,538
Marcus Oaks Pty Ltd	Sign fitting	Australia	-	50	-	984
Eventfinder Limited	Online events directory	New Zealand	50	50	517	675
Idea HQ Limited	Early stage online businesses	New Zealand	50	-	1,263	-
Soprano Design Pty Limited	Independent software vendor	Australia	25	25	3,000	-
Other					57	59
					39,190	35,384
(a) Movements in carrying amounts	of investments in associates				Consolio 2009 \$'000	2008 \$'000
					25 29/	20 155
Carrying amount at beginning of the y Additions	ear				35,384 1,263	29,155
Share of profit after income tax expense	2				3,254	6,484
Dividends received					(1,000)	0,404
Reversal of impairment of investment					3,000	-
Disposals and other					(2,711)	(255)
Carrying amount at end of the year					39,190	35,384
(b) Results attributable to associates						
Earnings before interest and tax					5,232	10,666
Net finance costs					(834)	(1,848)
Profit before income tax expense					4,398	8,818
Income tax expense					(1,144)	(2,334)
Profit after income tax expense					3,254	6,484
Dividends received					(1,000)	_
					2,254	6,484
Retained profits attributable to associat	tes at beginning of the year				24,603	18,119
Retained profits attributable to assoc					26,857	24,603
(c) Share of associates' expenditure of	commitments					
Capital commitments					6,723	6,247
Lease commitments					109,439	107,576
					116,162	113,823
(d) Summarised financial information	on of associates			Grou	ıp's share of:	
.,					Liabilities	Revenue
				\$'000	\$'000	\$'000
2009				63,979	30,388	54,056
2008				68,197	35,053	60,589
				-0,1//	JJ,0JJ	

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 24. SEGMENT INFORMATION

The consolidated entity operates predominately in the following industries: Publishing of newspapers, magazines, directories, printing and online publishing Radio – broadcasting of radio transmissions Outdoor - specialist transit and static outdoor advertising

Segment revenue           Sales to external customers         272,195         321,498         122,984         84,709         229,280         -         1,030,666           Other income         -         -         -         -         -         -         -         1,1776         11,776         1,042,442           Finance income         -         -         -         -         -         -         -         1,689	December 2009	Australian Publishing \$'000	NZ Publishing \$'000	Australian Radio \$'000	NZ Radio \$'000	Outdoor \$'000	Unallocated \$'000	TOTAL \$'000
Other income         -         -         -         -         -         11,766         11,766         10,42,442           Finance income         272,195         321,498         122,984         84,709         229,280         11,689         1,689           Other income - exceptional gains         -         -         -         -         -         -         7,867         7,867           Total revenue and other income         272,195         321,498         122,984         84,709         229,280         21,332         1051,988           Segment result         Segment result         Segment result         Segment result         59,527         66,451         43,642         13,464         16,107         (10,238)         188,953           Net finance costs         -         -         -         -         -         (20,069)         20,069         100,069         100,069         100,069         100,069         100,069         100,069         100,069         100,069         100,069         100,069         118,303         100,069         118,303         118,303         118,303         118,303         118,303         118,303         118,303         118,303         118,303         118,304         100,009	Segment revenue							
Profit from continuing operations   29,527   66,451   43,642   13,464   16,107   (10,238)   118,395   118,305   13,464   16,107   (10,238)   118,305   13,464   16,107   (10,238)   13,464	Sales to external customers	272,195	321,498	122,984	84,709	229,280	-	1,030,666
Primance income	Other income	-	_	-	-		11,776	11,776
Other income – exceptional gains         -         -         -         -         -         -         7,867		272,195	321,498	122,984	84,709	229,280	11,776	1,042,442
Total revenue and other income         272,195         321,498         122,984         84,709         229,280         21,332         1,051,998           Segment result         59,527         66,451         43,642         13,464         16,107         (10,238)         188,953           Net finance costs         -         -         -         -         -         -         (50,545)         (50,545)           Income tax expense (pre exceptionals)         -         -         -         -         -         -         (20,069)         (20,069)           Exceptional items after tax         -         -         -         -         -         -         (37)         (37)           Profit from continuing operations (post exceptionals)         59,527         66,451         43,642         13,464         16,107         (80,889)         118,302           Other segment information           Share of profits of associates         -         (275)         304         -         3,225         -         3,254           Segment assets         261,425         914,660         317,369         212,518         378,849         115,822         2,200,643           Segment liabilities         19,110         179,126         30,849	Finance income	-	-	-	-	-	1,689	1,689
Segment result         59,527         66,451         43,642         13,464         16,107         (10,238)         188,953           Net finance costs         -         -         -         -         -         -         -         -         (50,545)         (50,645)         (50,645)         (40,005)         (20,069)         (20,	Other income – exceptional gains	-	_	-	-	-	7,867	7,867
Segment result         59,527         66,451         43,642         13,464         16,107         (10,238)         188,953           Net finance costs         -         -         -         -         -         -         -         -         (50,545)         (50,645)         (20,069)         (20,069)         (20,069)         (20,069)         (20,069)         (20,069)         (20,069)         (20,069)         (20,069)         (20,069)         (37)	Total revenue and other income	272,195	321,498	122,984	84,709	229,280	21,332	1,051,998
Net finance costs         -	Segment result							
Common tax expense (pre exceptionals)	Segment result	59,527	66,451	43,642	13,464	16,107	(10,238)	188,953
Sp,527   66,451   43,642   13,464   16,107   (80,852)   118,339     Exceptional items after tax	Net finance costs	-	-	-	-	-	(50,545)	(50,545)
Exceptional items after tax         -         -         -         -         -         (37)         (37)           Profit from continuing operations (post exceptionals)         59,527         66,451         43,642         13,464         16,107         (80,889)         118,302           Other segment information         Share of profits of associates         -         (275)         304         -         3,225         -         3,254           Segment assets         261,425         914,660         317,369         212,518         378,849         115,822         2,200,643           Segment liabilities         19,110         179,126         30,849         18,180         138,076         658,766         1,044,107           Results by location         Australia         NZ         Asia         TOTAL           \$000         \$0	Income tax expense (pre exceptionals)	=	-	-	-	-	(20,069)	(20,069)
Profit from continuing operations (post exceptionals)         59,527         66,451         43,642         13,464         16,107         (80,889)         118,302           Other segment information           Share of profits of associates         -         (275)         304         -         3,225         -         3,254           Segment assets         261,425         914,660         317,369         212,518         378,849         115,822         2,200,643           Segment liabilities         19,110         179,126         30,849         18,180         138,076         658,766         1,044,107           Results by location         Australia         NZ         Asia         TOTAL           \$'000         \$'000         \$'000         \$'000         \$'000           Sales to external customers         538,564         420,939         71,163         1,030,666           Segment result         113,407         69,186         6,360         188,953		59,527	66,451	43,642	13,464	16,107	(80,852)	118,339
Other segment information         Share of profits of associates         -         (275)         304         -         3,225         -         3,254           Segment assets         261,425         914,660         317,369         212,518         378,849         115,822         2,200,643           Segment liabilities         19,110         179,126         30,849         18,180         138,076         658,766         1,044,107           Results by location         Australia         NZ         Asia         TOTAL           \$'000         \$'000         \$'000         \$'000         \$'000         \$'000           Sales to external customers         538,564         420,939         71,163         1,030,666           Segment result         113,407         69,186         6,360         188,953	Exceptional items after tax	-	-	-	-	-	(37)	(37)
Share of profits of associates         -         (275)         304         -         3,225         -         3,254           Segment assets         261,425         914,660         317,369         212,518         378,849         115,822         2,200,643           Segment liabilities         19,110         179,126         30,849         18,180         138,076         658,766         1,044,107           Results by location         Australia         NZ         Asia         TOTAL           \$'000         \$'000         \$'000         \$'000         \$'000           Sales to external customers         538,564         420,939         71,163         1,030,666           Segment result         113,407         69,186         6,360         188,953		59,527	66,451	43,642	13,464	16,107	(80,889)	118,302
Segment assets         261,425         914,660         317,369         212,518         378,849         115,822         2,200,643           Segment liabilities         19,110         179,126         30,849         18,180         138,076         658,766         1,044,107           Results by location         Australia         NZ         Asia         TOTAL           \$'000         \$'000         \$'000         \$'000         \$'000           Sales to external customers         538,564         420,939         71,163         1,030,666           Segment result         113,407         69,186         6,360         188,953	Other segment information							
Segment liabilities         19,110         179,126         30,849         18,180         138,076         658,766         1,044,107           Results by location         Australia         NZ         Asia         TOTAL           \$'000         \$'000         \$'000         \$'000         \$'000           Sales to external customers         538,564         420,939         71,163         1,030,666           Segment result         113,407         69,186         6,360         188,953	Share of profits of associates	-	(275)	304	-	3,225	-	3,254
Results by location         Australia         NZ         Asia         TOTAL           \$'000         \$'000         \$'000         \$'000         \$'000           Sales to external customers         538,564         420,939         71,163         1,030,666           Segment result         113,407         69,186         6,360         188,953	Segment assets	261,425	914,660	317,369	212,518	378,849	115,822	2,200,643
\$1000         \$1000 <th< td=""><td>Segment liabilities</td><td>19,110</td><td>179,126</td><td>30,849</td><td>18,180</td><td>138,076</td><td>658,766</td><td>1,044,107</td></th<>	Segment liabilities	19,110	179,126	30,849	18,180	138,076	658,766	1,044,107
Sales to external customers       538,564       420,939       71,163       1,030,666         Segment result       113,407       69,186       6,360       188,953	Results by location							
Segment result 113,407 69,186 6,360 <b>188,953</b>	Sales to external customers						·	
	Non-current assets				735,385	1,190,056	16,473	1,941,914

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

December 2008	Australian Publishing \$'000	NZ Publishing \$'000	Australian Radio \$'000	NZ Radio \$'000	Outdoor \$'000	Unallocated \$'000	**TOTAL
Segment revenue							
Sales to external customers	301,595	392,140	130,249	103,304	265,107	1,003	1,193,398
Other income	-	-	-	-	-	17,758	17,758
	301,595	392,140	130,249	103,304	265,107	18,761	1,211,156
Finance income	-	-	-	-	-	3,300	3,300
Other income – exceptional gains	-	-	-	-	-	10,772	10,772
Total revenue and other income	301,595	392,140	130,249	103,304	265,107	32,833	1,225,228
Segment result							
Segment result	83,919	91,197	48,197	20,705	39,492	(745)	282,765
Net finance costs	-	-	-	-	-	(75,533)	(75,533)
Income tax expense (pre exceptionals)	-	-	-	-	-	(34,057)	(34,057)
	83,919	91,197	48,197	20,705	39,492	(110,335)	173,175
Exceptional items after tax	-	-	-	-	-	(164,399)	(164,399)
Profit from continuing operations (post exceptionals)	83,919	91,197	48,197	20,705	39,492	(274,734)	8,776
Other segment information							
Share of profits of associates	-	(1,217)	401	-	7,300	-	6,484
Segment assets	249,766	997,477	323,654	222,711	411,661	118,197	2,323,466
Segment liabilities	20,546	199,157	33,499	18,682	161,121	841,069	1,274,074
Results by location				Australia \$'000	NZ \$'000	Asia \$'000	TOTAL
Sales to external customers				598,472	516,604	78,322	1,193,398
Segment result				165,090	107,490	10,185	282,765
Non-current assets				731,055	1,257,432	26,930	2,015,417

#### Notes to and forming part of segment information

#### Identification of operating segments

The Group has identified operating segments based on the format of internal reports which are reviewed by key management personnel in assessing performance and in allocating resources.

#### (ii) Segment policies

Segment revenues and expenses comprise amounts that are directly attributable to a segment and the relevant portion that can be allocated on a reasonable basis. Corporate overheads including centralised finance, legal and administrative costs are not allocated against operating segments but rather are included above as unallocated amounts. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment, goodwill and other intangible assets, net of related provisions. Segment liabilities consist primarily of trade and other payables, employee benefits and provision for restructuring. Tax balances and external borrowing are not allocated to operating assets or liabilities.

#### (iii) Inter-segment transfers

Segment revenues, expenses and results exclude transfers between segments. Such transfers are priced on an arm's length basis and are eliminated on consolidation.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### RELATED PARTY INFORMATION

#### **Directors and Relevant Executives**

The following Relevant Executives, together with Brendan Hopkins and the other Directors, were the key management personnel having authority and responsibility for planning, directing and controlling the activities of the parent entity and consolidated entity during the financial year:

Name	Position	Employer
Peter Myers	Chief Financial Officer	APN News & Media Limited
Martin Simons	Group Publishing Chief Executive	APN New Zealand Limited
Richard Herring	Group Radio and Outdoor Chief Executive	APN Outdoor Pty Limited
Warren Lee	CEO APN Online	APN News & Media Limited
Rob Lourey	Group Human Resources Director	APN News & Media Limited

Total remuneration including the amortised cost of options for Directors and Relevant Executives in aggregate is as follows:

	Short-term	Post-employment	Amortised cost of options	Total including amortised cost of options
2009	\$5,623,545	\$710,257	-	\$6,333,802
2008	\$6,031,959	\$997,932	\$(694,834)	\$6,335,057

Other disclosures relating to Directors and Relevant Executives are set out in the Remuneration Report.

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Unsecured and interest bearing loans				
Loans from Directors of entities in the consolidated entity and their director related entities, are disclosed in note 12.				
Loan repayments – P Sapwell, S Koh, A Yew and G Khan	-	312	-	-
Net interest paid/payable on loans from Directors of entities in the consolidated entity and their director related entities	80	105	-	_
Dividend paid/payable	-	-	-	-

#### Transactions with entities in the wholly-owned group

APN News & Media Limited is the parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities.

The Company advanced and repaid loans, received loans and received dividends and interest and paid interest to other entities in the wholly-owned group during the current and previous financial years. With the exception of certain interest free loans provided by the Company, these transactions were on commercial terms and conditions.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### Transactions with other related parties

The aggregate amounts recognised in respect of the following types of transactions and each class of related party involved were:

Transaction type	Class of other related party	Cons	Consolidated		nt entity
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Loans advanced to	Controlled entities <sup>(i)</sup>	_	-	106,712	72,285
Loan interest received	Associates <sup>(ii)</sup>	128	969	-	-
Consulting services received	Key management personnel(iii)	50	-	-	-
Consulting services received	Key management personnel <sup>(iv)</sup>	88	36	-	-
Success fee	Key management personnel <sup>(v)</sup>	57	-	-	-
Dividends received	Controlled entity <sup>(vi)</sup>	-	-	-	207,515
Dividends paid	Other related parties (vii)	22,982	60,335	22,982	60,335
Independent News & Media fees	Other related party <sup>(viii)</sup>	1,115	1,115	-	-
Interest received	Controlled entity <sup>(ix)</sup>	-	-	72,604	18,125
Management fees receivable	Associates <sup>(x)</sup>	333	633	-	-
Associate company fee	Associates <sup>(xi)</sup>	50	50	-	_

The above transactions were made on commercial terms and conditions and at market rates except where indicated.

- These loans are at call and interest free. (i)
- These loans are subject to interest. (ii)
- Consulting fees paid to Sallyanne Atkinson for services rendered. The contract commenced 5 May 2009 and expires in May 2011 and provides (iii) for a maximum fee of \$75,000 per annum, payable quarterly.
- (iv) Consultancy fees paid to a company associated with Peter Cosgrove for marketing services rendered.
- Fee paid to a company associated with Peter Cosgrove on successful renewal of Hong Kong transit contract. (v)
- (vi) Dividends received from Gulgong Pty Limited (controlled entity).
- (vii) Dividends paid to Independent News & Media (Australia) Limited and News & Media NZ Limited.
- (viii) Payments to Independent News & Media PLC include reimbursements for services provided including travel and ancillary expenses, provision of unlimited live editorial copy, services of Directors, and for advisory services on a range of matters including global media and advertising trends and product development.
- Interest received/receivable from Australian Provincial Newspapers International Pty Limited (controlled entity). (ix)
- Management fees received/receivable from associates. (x)
- Chairman's fee paid to Peter Cosgrove by Adshel Street Furniture Pty Limited. (xi)

#### 26. EARNINGS PER SHARE

(a) Reconciliation of earnings used in calculating EPS	2009 \$'000	2008 \$'000
Profit from continuing operations attributable to owners of the parent entity	94,458	(23,972)
Loss from discontinued operations attributable to owners of the parent entity	(1,830)	-
Profit/(loss) attributable to owners of the parent entity used in calculating basic/diluted EPS	92,628	(23,972)
(b) Weighted average number of shares <sup>(i)</sup>	Number	Number
Weighted average number of shares used as the denominator in calculating basic EPS	554,184,711	505,853,835
Adjusted for calculation of diluted EPS		
Options	-	15,012
Weighted average number of shares used as the denominator in calculating diluted EPS	554,184,711	505,868,847

The weighted average number of ordinary shares disclosed for the 2008 year has been adjusted for the bonus element included in the Non-Renounceable Pro-Rata Entitlement Offer (refer note 15).

	Cons	Consolidated		nt entity
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
27. CASH FLOW INFORMATION				
Reconciliation of cash				
Cash at end of the year, as shown in the statements of cash flows, comprises:				
Cash and cash equivalents	32,727	58,721	-	545
Reconciliation of net cash inflows from operating activities to profit for the year:				
Profit for the year	116,472	5,822	47,716	217,591
Depreciation and amortisation expense	44,596	42,645	-	-
Net gain on sale of non-current assets	(9,534)	(5,439)	-	-
Share of profits of associates	(3,254)	(6,484)	-	-
Other non-cash items	(4,404)	(1,693)	3,375	(1,577)
Fair value adjustment on acquisition of associates	-	(7,149)	-	-
Change in current/deferred tax payable	(4,995)	(25,673)	(399)	7,984
Impairment/onerous contracts – non-cash	(3,000)	162,591	-	-
Changes in assets and liabilities net of effect of acquisitions:				
Trade and other receivables	(1,232)	42,136	81	-
Inventories	4,728	1,087	-	-
Prepayments	3,191	(843)	-	3
Trade and other payables and employee benefits	(23,194)	(33,058)	(9)	(331)
Net cash inflows from operating activities	119,374	173,942	50,764	223,670

#### Non-cash financing and investing activities

Share issues other than for cash referred to in note 15 are not reflected in the statements of cash flows.

#### Finance facilities

Details of credit standby arrangements and loan facilities are included in note 28.

#### 28. STANDBY ARRANGEMENTS AND CREDIT FACILITIES

Entities in the consolidated entity have access to:

#### Overdraft facilities

Unsecured bank overdraft facility totalling	13,465	18,464	-	-
Amount of credit utilised	(1,432)	(1,172)	-	-
Amount of available credit	12,033	17,292	-	-
Loan facilities (unsecured)				
Unsecured bank loan facility totalling	1,003,230	1,063,325	-	-
Amount of facility utilised	(736,149)	(969,320)	-	_
Amount of available facility	267,081	94,005	-	-

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 29. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange and ageing analysis for credit risk.

Risk management is carried out by a central Treasury Function under policies approved by the Board of Directors. The policies provide principles for overall risk management, as well as areas covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### (a) Market risk

#### (i) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed interest rates expose the Group to fair value interest rate risk. The Group's revenue and cost base are influenced by inflation and Gross Domestic Product, which are also significant factors in interest rate movements. The Group's natural business cycle therefore enables it to absorb interest rate increases. The level of fixed rate facilities has decreased and the Group has in place interest rate swaps to reduce volatility from interest rate movements. During 2009 and 2008, the Group's borrowings at variable rate were dominated in Australian dollars and New Zealand dollars.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest bearing positions.

Based on the outstanding net floating debt at 31 December 2009, a change in interest rates of +/-1% per annum with all other variables being constant would impact post-tax profit by \$4.0 million lower/higher (2008: \$5.6 million lower/higher). The parent entity has no significant exposure to a change in interest rates.

#### (ii) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. Individual transactions are assessed and forward exchange contracts are used to hedge the risk where deemed appropriate.

A US dollar denominated bank account is held for the purpose of paper contract purchases, which is kept at a minimum balance. As such, any foreign exchange exposure is considered immaterial.

Whilst the Group as a whole has assets and liabilities in multiple currencies, individual entities in the Group do not have a significant foreign exchange exposure to receivables or payables in currencies that are not their functional currency.

#### (iii) Price risk

The Group and parent entity are not exposed to significant price risk.

#### (b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, the creditworthiness is assessed prior to entering into arrangements and approved by the Board. For other customers, risk control assesses the credit quality, taking into account financial position, past experience and other factors. The utilisation of credit limits is regularly

Credit risk further arises in relation to financial guarantees given to certain parties (see note 18 for details).

#### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

The tables below analyse the Group's financial liabilities including interest to maturity into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

31 December 2009	Less than one year	Between one and	Between two and	Over five years
	\$'000	two years	five years	
	\$ 000	\$'000	\$'000	\$'000
Trade payables	108,970	327	982	1,964
Bank loans (including interest to maturity)	116,670 <sup>(i)</sup>	344,112	431,214	-
Other loans	9,465	-	-	-
Gross liability	235,105	344,440	432,196	1,964
Less interest	(41,227)	(35,985)	(27,737)	-
Principal	193,878	308,454	404,459	1,964

31 December 2008	Less than one year \$'000	Between one and two years \$'000	Between two and five years \$'000	Over five years \$'000
Trade payables	138,008	327	982	3,219
Bank loans (including interest to maturity)	213,314	177,199	727,706	-
Other loans	12,290	-	-	-
Gross liability	363,612	177,526	728,688	3,219
Less interest	(59,049)	(44,750)	(46,644)	-
Principal	304,563	132,776	682,044	3,219

<sup>(</sup>i) \$55 million of bank loans are due to mature in October 2010 and are expected to be replaced by available facilities (as disclosed in note 28)

The tables below analyse the Group's derivative financial instruments that will be settled on a gross basis, into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

31 December 2009	Less than one year	Between one and	Between two and	Over five years
	\$'000	two years \$'000	five years \$'000	\$'000
Forward foreign exchange contracts				
(i) Cash flow hedges				
- inflow	2,161	1,007	365	-
- outflow	2,380	1,148	428	-
(ii) Non-specific cash flow hedges				
- inflow	40,696	-	-	-
- outflow	41,195	-	-	-

31 December 2008	Less than one year	Between one and	Between two and	Over five years
	φ20.00	two years	five years	φ2000
	\$'000	\$'000	\$'000	\$'000
Forward foreign exchange contracts				
(i) Cash flow hedges				
- inflow	3,758	-	-	-
- outflow	3,216	-	-	-
(ii) Non-specific cash flow hedges				
- inflow	33,504	-	-	-
- outflow	33,831	-	-	-

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 30. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

#### (a) Foreign exchange contracts - cash flow hedges

The portion of the gain or loss on the hedging instruments held for inventory and capital commitments that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the inventories and fixed assets recognised in the balance sheet by the related amount deferred in the equity.

During the year ended 31 December 2009, a loss of \$3,797,000 (2008: loss of \$1,741,000) was transferred to other expenses in the income statement.

#### (b) Foreign exchange contracts - held for trading

The Group has further entered into forward exchange contracts which are economic hedges but do not satisfy the requirements for hedge accounting. These contracts are subject to the same risk management policies as all other derivative contracts; see note 29 for details. However, they must be accounted for as held for trading.

#### (c) Credit risk exposure

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises on derivative financial instruments with unrealised gains. At reporting date, no amount was receivable (Australian dollar equivalents) for the Group from forward exchange contracts (2008: \$nil). The Group undertakes 100% of its transactions in foreign exchange contracts with financial institutions.

#### (d) Interest rate swaps

Two of the interest rate swaps held by the consolidated entity as at 31 December 2009 offset each other, having a notional principal amount of NZ\$129,670,260 (2008: NZ\$150,341,994) each, and mature in the next 12 months.

The remaining swaps have a mark to market loss of \$128,739 (2008: loss of \$4,188,827). The tables below analyse these net settled interest rate swaps into relative maturity groupings based on the remaining period at the reporting date to the contractual maturity date. For interest rate swaps, the cash flows have been estimated using current interest rates applicable at the reporting date.

31 December 2009	Less than one year	Between one and two years	Between two and five years	Over five years
	\$'000	\$'000	\$'000	\$'000
Net settled – interest rate swaps (outflow)	(1,349)	(813)	(925)	-

31 December 2008	Less than one year	Between one and two years	Between two and five years	, ,
	\$'000	\$'000	\$'000	\$'000
Net settled – interest rate swaps (outflow)	(2,640)	(692)	(15)	-

#### (e) Interest rate and foreign exchange risk

For an analysis of the sensitivity of derivatives to interest rates, refer note 29.

Foreign exchange contracts - translation of New Zealand earnings

The consolidated entity has entered into foreign exchange contracts in order to protect its earnings in foreign currency from adverse exchange rate

As at balance date, the details of outstanding contracts are:

Sell New Zealand dollars	Buy Aus dolla		Average exch	ange rate
	2009 \$'000	2008 \$'000	2009	2008
Maturity				
Zero to 12 months	40,696	33,125	1.253	1.206

Foreign exchange contracts – paper purchases

The New Zealand Print operations purchase paper in US dollars. In order to protect against adverse exchange rate movements, the consolidated entity has entered into foreign exchange swap contracts.

As at balance date, the details of outstanding contracts are:

Buy US dollars	Sell New Ze dollars		Average excha	nge rate
	2009 \$'000	2008 \$'000	2009	2008
Maturity				
Zero to 12 months	-	3,338	-	0.674

Foreign exchange contracts - capital equipment

The consolidated entity has entered into foreign exchange contracts for the purchase of capital equipment.

As at balance date the details of the outstanding contracts are:

Buy US dollars	Sell Australian d	Sell Australian dollars		Average exchange rate	
	2009 \$'000	2008 \$'000	2009	2008	
Maturity					
Zero to 12 months	-	424	-	0.834	
Buy British Pounds	Sell Australian d	ollars	Average exchange rate		
	2009 \$'000	2008 \$'000	2009	2008	
Maturity					
Zero to 12 months	2,380	-	0.534	-	
One to two years	1,148	-	0.516	-	
Two to five years	428	-	0.502	-	

#### (f) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. As of 1 January 2009, the Group has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the Group's financial assets and liabilities measured and recognised at fair value at 31 December 2009.

Comparative information has not been provided as permitted by the transitional provisions of the new rules.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

Group as at 31 December 2009	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	<b>Total</b> \$'000
Assets				
Financial assets at fair value through profit and loss				
Trading derivatives	214	-	-	214
Listed securities	6,675	-	-	6,675
Shares in other corporations	-	-	20,455	20,455
Total assets	6,889	-	20,455	27,344
Liabilities				
Financial liabilities at fair value through profit and loss				
Trading derivatives	-	(686)	-	(686)
Financial liabilities at fair value through equity				
Derivatives used for hedging	-	(128)	-	(128)
Total liabilities	-	(814)	-	(814)

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments.

The carrying amount of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

#### 31. SUBSEQUENT EVENTS

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in the Directors' Report or consolidated financial statements that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### 32. DISCONTINUED OPERATIONS

Regarding the Auckland heatset printing business, the Group is in active discussions with a number of parties with a view to further restructuring. Based on such discussions, the Group does not expect to continue to consolidate this business and has, as a result, treated this as a 'discontinued business'.

Financial information related to the discontinued operation is shown below:

	Consolio	lated	Parent entity		
	2009	2008	2009	2008	
(a) Financial performance	\$'000	\$'000	\$'000	\$'000	
Revenue before finance income	21,529	32,990	-	-	
Other income		0.6			
Expenses before finance costs	(24,143)	86 (37,296)	-	-	
			<del>-</del>		
Loss before income tax expense	(2,614)	(4,220)	-	-	
Income tax credit	784	1,266	-	_	
Loss from discontinued operations	(1,830)	(2,954)	-	-	
(b) Carrying amounts of assets and liabilities					
Current assets					
Receivables	6,593	-	-	-	
Inventories	5,372	-	-	-	
Other	39	-	-	-	
Non-current assets					
Property, plant and equipment	2,811	-	-	-	
Intangible assets	257	-	-	-	
Assets held for sale	15,072	-	-	-	
Current liabilities					
Payables	3,073	_	_	_	
Provisions	•				
110/1510115	7,258	-	-	-	
Non-current liabilities					
Deferred tax liabilities	(557)	-	-	-	
Provisions	582	-	-		
Liabilities directly associated with assets held for sale	10,356	-	-	-	

#### In the Directors' opinion:

- the financial statements and notes set out on pages 37 to 92 are in accordance with the Corporations Act 2001, including: (a)
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2009 and of their performance, as represented by the results of their operations, their changes in equity and their cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note (c) 22 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in note 22.

This declaration is made in accordance with a resolution of the Directors, after receiving the declarations required to be made by the Chief Executive and the Chief Financial Officer in accordance with section 295A of the Corporations Act 2001.

**GK O'Reilly** Chairman

**BMA Hopkins** Director

Sydney 26 March 2010

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES



PricewaterhouseCoopers ABN 52 780 433 757

Darling Park Tower 2 201 Sussex Street **GPO BOX 2650** SYDNEY NSW 1171 DX 77 Sydney Australia Telephone +61 2 8266 0000 Facsimile +61 2 8266 9999

#### Report on the financial report

We have audited the accompanying financial report of APN News & Media Limited (the company), which comprises the balance sheet as at 31 December 2009, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both APN News & Media Limited and the APN News & Media group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

#### Auditor's opinion

#### In our opinion:

- the financial report of APN News & Media Limited is in accordance with the Corporations Act 2001, including: (a)
  - giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- the financial report also complies with International Financial Reporting Standards as disclosed in Note 1. (b)

#### **Report on the Remuneration Report**

We have audited the remuneration report included in section 10 of the directors' report for the year ended 31 December 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

#### Auditor's opinion

In our opinion, the remuneration report of APN News & Media Limited for the year ended 31 December 2009, complies with section 300A of the Corporations Act 2001.

PricewaterhouseCoopers

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Steven Bosiljevac

Sydney Partner 26 March 2010

## INFORMATION ON SHAREHOLDERS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### **SHARES**

#### (a) Substantial shareholders

The following information is extracted from substantial shareholder notices received by the Company as at 4 March 2010:

Name	Number of shares
Independent News & Media (Australia) Limited	131,541,073
News & Media NZ Limited	60,000,000
National Australia Bank Limited	43,637,638
Paradice Investment Management Pty Ltd	36,591,205
AMP Limited	34,696,241
Perpetual Limited	29,855,060

The Company also received a substantial shareholder notice from Baycliffe Limited noting that, through its holding in Independent News & Media PLC (INM), it holds a relevant interest in the shares in the Company held by INM.

#### (b) Top 20 holders of fully paid ordinary shares at 4 March 2010

Name	Number of shares	% of total shares
Independent News & Media (Australia) Limited	131,541,073	22.10%
National Nominees Limited	74,221,514	12.47%
JP Morgan Nominees Australia Limited	70,388,897	11.82%
News & Media NZ Limited	60,000,000	10.08%
HSBC Custody Nominees (Australia) Limited	30,812,275	5.18%
RBC Dexia Investor Services Australia Nominees Pty Limited (PIPooled a/c)	23,147,014	3.89%
New Zealand Central Securities Depository Limited	10,731,498	1.80%
Australian Foundation Investment Company Limited	10,479,455	1.76%
Cogent Nominees Pty Limited	10,240,094	1.72%
Cogent Nominees Pty Limited (SMP accounts)	9,010,353	1.51%
Citicorp Nominees Pty Limited	8,952,978	1.50%
AMP Life Limited	8,604,804	1.45%
RBC Dexia Investor Services Australia Nominees Pty Limited (GSJBW a/c)	7,352,054	1.23%
Queensland Investment Corporation	7,198,106	1.21%
Citicorp Nominees Pty Limited (CFSIL CWLTH AUST SHS 1 a/c)	5,300,000	0.89%
ANZ Nominees Limited (Cash Income a/c)	4,834,011	0.81%
Argo Investments Limited	3,811,844	0.64%
RBC Dexia Investor Services Australia Nominees Pty Limited	3,793,633	0.64%
Citicorp Nominees Pty Limited (CFSIL CFSWS SMALL COMP a/c)	3,673,448	0.62%
Citicorp Nominees Pty Limited (CFSIL CWLTH AUST SHS 4 a/c)	3,627,495	0.61%
Total	487,720,546	81.93%

#### (c) Analysis of individual ordinary shareholdings as at 4 March 2010

Holding	Number of shareholders	% of total	Number of shares	% of issued capital
1-1,000	2,531	23.17%	1,181,542	0.20%
1,001-5,000	5,001	45.78%	13,681,619	2.30%
5,001-10,000	1,845	16.89%	13,408,752	2.25%
10,001-100,000	1,445	13.23%	32,106,931	5.39%
100,001 and over	102	0.93%	534,933,081	89.86%
Total holdings	10,924	100.00%	595,311,925	100.00%

There were 517 holders of less than a marketable parcel.

# INFORMATION ON SHAREHOLDERS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### (d) Voting rights of shareholders

The voting rights are governed by Paragraphs 54 to 67 of the Constitution. In summary, shareholders are entitled to vote in person or by proxy, representative or attorney at any meeting of shareholders of the Company on:

- a show of hands one vote per shareholder; and
- a poll one vote per share.

#### **OPTIONS** 2.

Analysis of individual option holdings as at 4 March 2010:

Holding	Number of optionholders	% of total	Number of options	% of total options
1 1 000				
1-1,000	-	-	-	-
1,001-5,000	-	-	-	-
5,001-10,000	3	3.06%	30,000	0.21%
10,001-100,000	64	65.31%	3,620,000	25.67%
100,001 and over	31	31.63%	10,455,000	74.12%
Total holdings	98	100.00%	14,105,000	100.00%

#### 3. **DIRECTORS' INTERESTS**

The relevant interest of each Director in the securities of the parent entity as at 4 March 2010 is:

Director	Number of shares	Number of options
GK O'Reilly	20,000	-
AE Harris	721,275	-
BMA Hopkins	1,651,250	1,500,000
DJ Buggy	-	-
PP Cody	104,550	-
PM Cosgrove	120,000	-
VC Crowley	760,404	-
KJ Luscombe	67,052	-
JH Maasland	-	-
AC O'Reilly	1,000,000	-

### SHAREHOLDER INFORMATION

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### STOCK EXCHANGE LISTING

APN News & Media Limited shares are listed on the Australian Securities Exchange and the New Zealand Exchange (code APN).

#### **ENOUIRIES**

Shareholders or investors with any enquiries concerning their holdings, shareholder details, dividend information, or administrative matters, should direct their enquiries to the Share Registry. Contact details for the Share Registry appear on the following page.

#### **DIVIDEND PAYMENTS**

Dividends to shareholders may be paid direct to any bank, building society or credit union account in Australia. Shareholders who wish to receive dividends by electronic transfer should advise the Share Registry in writing with full account details.

#### **REGISTER YOUR EMAIL ADDRESS**

Shareholders can register their email address to receive dividend advices, notification of availability of annual reports and other shareholder communications. To register, shareholders should go to www.linkmarketservices.com.au. Other services available to shareholders at this website include: viewing details of their shareholdings, updating address details, updating bank details and obtaining a variety of registry forms.

#### **TAX FILE NUMBER (TFN)**

The Company is obliged to deduct tax from unfranked or partially franked dividend payments to shareholders resident in Australia who have not supplied their TFN to the Share Registry. To avoid this deduction, you should advise the Share Registry in writing of your TFN.

#### **CONSOLIDATION OF HOLDINGS**

Shareholders who have multiple issuer-sponsored holdings and wish to consolidate their separate shareholdings into one account should advise the Share Registry in writing.

#### CHANGE OF NAME OR ADDRESS

Shareholders who are issuer sponsored should notify the Share Registry in writing of any change in either their name or registered address. If a change of name has occurred, it will be necessary to supply a copy of the relevant deed poll or marriage certificate. Shareholders sponsored by a broker (broker sponsored) should advise their broker in writing of the amended details.

#### **DIVIDEND REINVESTMENT PLAN (DRP)**

Shareholders may elect to participate in the DRP for all or part of their shareholding. Shareholders wishing to participate in the DRP should contact the Share Registry. Terms and conditions of the DRP and forms to apply for, vary or cancel participation in the DRP are also available on the corporate website, www.apn.com.au.

The Directors have set the current rate of discount applicable to the DRP at 2.5%. No brokerage, commission, stamp duty or other transaction costs are payable on any allotment of shares under the DRP.

#### INVESTOR INFORMATION

The Annual Report is the most comprehensive publication with information for investors. Copies of the 2009 Annual Report and Shareholder Review may be obtained by contacting the Share Registry or on the corporate website, www.apn.com.au. Other financial and relevant information, including press releases on financial results and Chairman's addresses, are available from the corporate office in Sydney, or at the corporate website.

## CORPORATE DIRECTORY

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

#### **DIRECTORS**

GK O'Reilly (Chairman)

AE Harris (Deputy Chairman)

BMA Hopkins (Chief Executive)

DJ Buggy

PP Cody

PM Cosgrove

VC Crowley

KJ Luscombe

JH Maasland

AC O'Reilly

#### **SECRETARY**

Y Lamont

#### **REGISTERED OFFICE**

Level 4, 100 William Street, SYDNEY NSW 2011

Telephone: +61 2 9333 4999 Facsimile: +61 2 9333 4900

#### **SHARE REGISTRY**

Link Market Services Limited

Level 12, 680 George Street, SYDNEY NSW 2000 Locked Bag A14, SYDNEY SOUTH NSW 1235 Telephone within Australia: 1300 553 550

Facsimile within Australia: 02 9287 0303 Telephone within New Zealand: 09 375 5998 Facsimile within New Zealand: 09 375 5990

Telephone outside Australia and New Zealand:

+61 2 8280 7142

Email: registrars@linkmarketservices.com.au Website: www.linkmarketservices.com.au

#### **AUDITORS**

PricewaterhouseCoopers

Darling Park

Tower 2, 201 Sussex Street, SYDNEY NSW 2000

#### **PRINCIPAL BANKERS**

ANZ

Commonwealth Bank

**HSBC** 

JP Morgan

National Australia Bank

Westpac Banking Corporation

