

Partner Andrew Bullock
Our ref ABB:1013821



LAWYERS

Date 10 March 2014

To ASX

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Re APN News & Media Limited

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APN News & Media Limited (APN) - change in substantial holding

We refer to the Form 604 lodged on behalf of Baycliffe Limited and Mr Denis O'Brien enclosed with this letter, dated 10 March 2014 (**Form 604**).

We confirm that the increase in Baycliffe's and Mr Denis O'Brien's voting power in APN set out in the enclosed Form 604:

- has taken place as a result of Baycliffe taking up its full entitlement under the 5 for 9 accelerated non-renounceable entitlement offer announced by APN to ASX on 19/02/14 (**Entitlement Offer**), and additionally as a result of Baycliffe having agreed to sub-underwrite a portion of the Entitlement Offer equal to the entitlements of Independent News & Media PLC; and
- this increase in voting power, which has taken place following completion of the institutional component of the Entitlement Offer, will be offset following the completion of the retail component of the Entitlement Offer such that the net change in Baycliffe's and Mr Denis O'Brien's voting power as a result of the Entitlement Offer will be nil.

Regards

A handwritten signature in black ink, appearing to read 'A Bullock'.

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Encl.

Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder****To** Company Name/Scheme APN News & Media Limited (APN)**ACN/ARSN** 008 737 643**1. Details of substantial holder (1)****Name** Baycliffe Limited (Baycliffe) and Mr Denis O'Brien**ACN/ARSN (if applicable)** Not applicable (Baycliffe is incorporated in the Isle of Man)There was a change in the interests of the
substantial holder on7/03/2014

The previous notice was given to the company on

19/07/2013

The previous notice was dated

19/07/2013**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	204,015,231	30.84% (based on 661,526,586 ordinary shares on issue)	317,357,027	33.41% (based on 949,935,256 ordinary shares on issue)*

*Please see the attached covering letter that forms part of this notice and provides an explanation concerning the temporary nature of the increase in voting power.

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
7/03/2014	Baycliffe and Denis O'Brien	Acquisition of relevant interest in new APN ordinary shares as a result of Baycliffe taking up its full pro rata entitlement under the institutional component of a 5 for 9 accelerated non-renounceable entitlement offer undertaken by APN (Entitlement Offer)	\$2,494,831.68 or \$0.36 per APN ordinary share	6,930,088	6,930,088

7/03/2014	Baycliffe and Donis O'Brien	Mr. Acquisition of relevant interest in new APN ordinary shares as a result of Baycliffe agreeing to sub-underwrite a proportion of the Entitlement Offer equal to the entitlements of Independent News & Media (Australia) Limited and News & Media NZ Limited	\$38,308,214.88 or \$0.36 per APN ordinary share	106,411,708	106,411,708
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4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Baycliffe	Independent News & Media (Australia) Limited, News & Media NZ Limited	Independent News & Media (Australia) Limited, News & Media NZ Limited	Deemed relevant interest in APN ordinary shares pursuant to the operation of sections 608(1) and 608(3)(a) of the Corporations Act as a result of Baycliffe having voting power in excess of 20% in Independent News & Media PLC, which in turn holds a combined 20.16% relevant interest in APN ordinary shares through its wholly-owned subsidiaries Independent News & Media (Australia) Limited and News & Media NZ Limited	191,541,073 ordinary shares	317,357,027 ordinary shares representing 33.41% total voting power
	Baycliffe	Baycliffe	Direct relevant interest in APN ordinary shares	125,815,954 ordinary shares	
Mr Denis O'Brien	As above	As above	Mr Denis O'Brien controls Baycliffe and therefore pursuant to section 608(3)(b) of the Corporations Act has the same relevant interest in APN ordinary shares as that described above in respect of Baycliffe	317,357,027 ordinary shares	317,357,027 ordinary shares representing 33.41% total voting power

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Baycliffe	P.O Box 312, 4 th Floor, Queen Victoria House, Victoria Street, Douglas, Isle of Man, IM99 2BJ, British Isles
Independent News & Media PLC	Independent House, 2023 Blarney Avenue, Citywest Business Campus, Naas Road, Dublin 24, Ireland
Independent News & Media (Australia) Limited	c/- Minter Ellison, Level 3, 25 National Circuit, Forrest ACT 2603
News & Media NZ Limited	c/- apn Holdings NZ Limited, 46 Albert Street, Auckland, New Zealand
Mr Denis O'Brien	c/- Baycliffe, P.O Box 312, 4 th Floor, Queen Victoria House, Victoria Street, Douglas, Isle of Man, IM99 2BJ, British Isles

Signature

print name

NADIA ELKEL

capacity

Authorized Signatory

sign here

[Signature]

date

10 / 3 / 2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.