

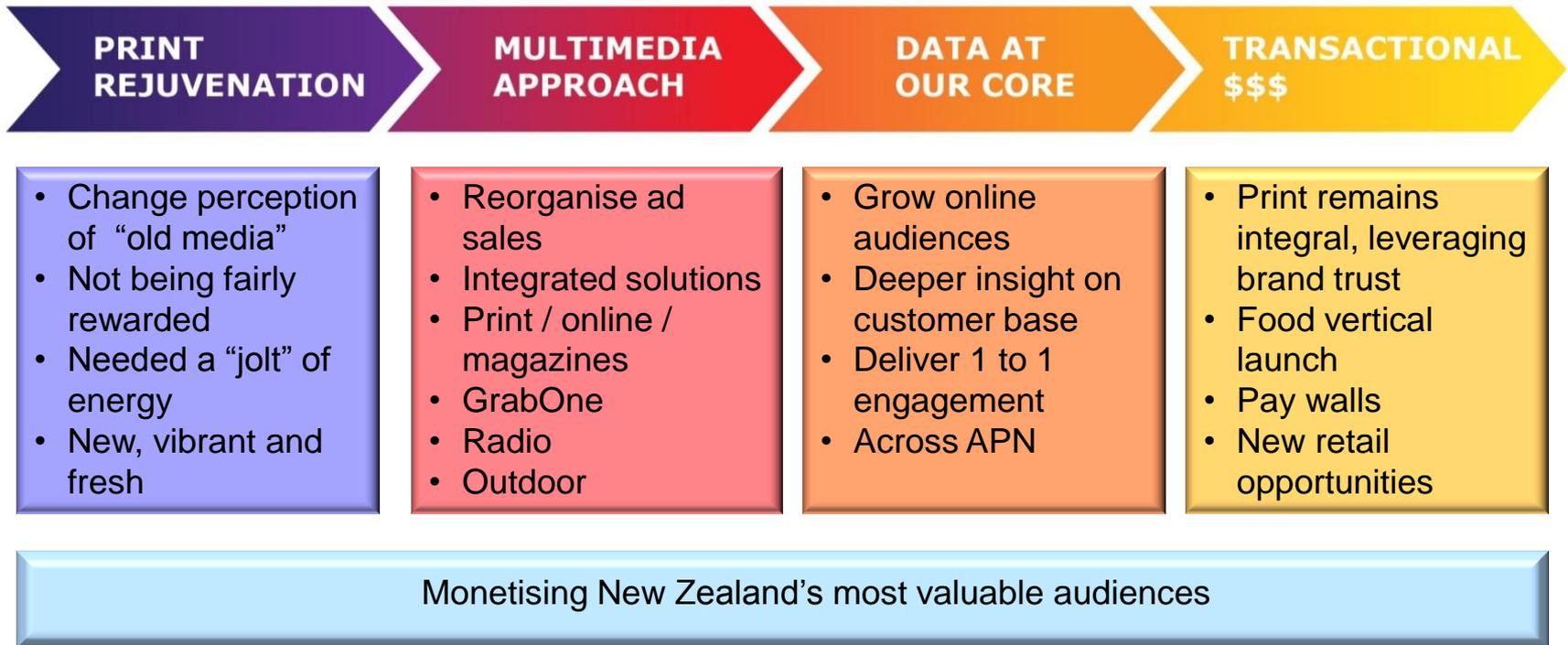


# Annual General Meeting

2 May 2013

Martin Simons, Chief Executive, New Zealand Media

# Our journey from print to digital



# Major cost restructuring projects completed

## All “back office” publishing functions outsourced or centralised

- Editorial production → Outsourced
- Advertising production → Outsourced
- Printing (newspapers, magazines) → Centralised and outsourced (single site retained)
- Newspaper distribution → Outsourced to franchise network
- Newspaper copy sales → Centralised, single team
- Advertising sales → Centralised and integrated - print, magazines, digital
- Editorial content → Centralised - print, digital
- Exit non-core titles → Completed

<b>NZM headcount 2007</b>	<b>2,068</b>
<b>NZM headcount 2013</b>	<b>1,037</b>

**Cost savings 2013**    \$18m  
**Cost savings 2014**    \$10m

# Publishing reinvigoration

Major print and digital rejuvenation program 2012/2013

- Relaunch of **The New Zealand Herald** as a compact – strong reader and advertiser endorsement
- All **regional daily titles** converted to compact and morning delivery – content synergies
- **Herald on Sunday** relaunched – fastest growing NZ newspaper title
- **Listener** paywall launched
- **nzherald.co.nz** and regional masthead websites redesigned and relaunched
- Preparing for metered **paywalls**



# APN leads with iconic, trusted NZ brands

## **The New Zealand Herald**

- Thought leader for 150 years
- Growing brand audience at 6% average annual growth rate
- Premium product

## **The Radio Network**

- #1 stations in talk, music, sport
- Talent leaders

## **GrabOne**

- 1 million customer database
- Multiple transactions, offering NZ's best experiences
- 75%+ market share of daily deal market

## **APN Outdoor and Adshel**

- Leading their sector

# Success when we bring brands together

## Brancott Estate rebranding case study

- **Objective** - Move Brancott Estate (formerly Montana Wines) brand awareness from 30% to 60% in 3 months. Campaign outperformed at 66%.
- **Media** - APN Outdoor, The Radio Network, New Zealand Herald, Canvas and Listener – launch wraps and print campaign, nzherald.co.nz – banners and homepage

What the client said:

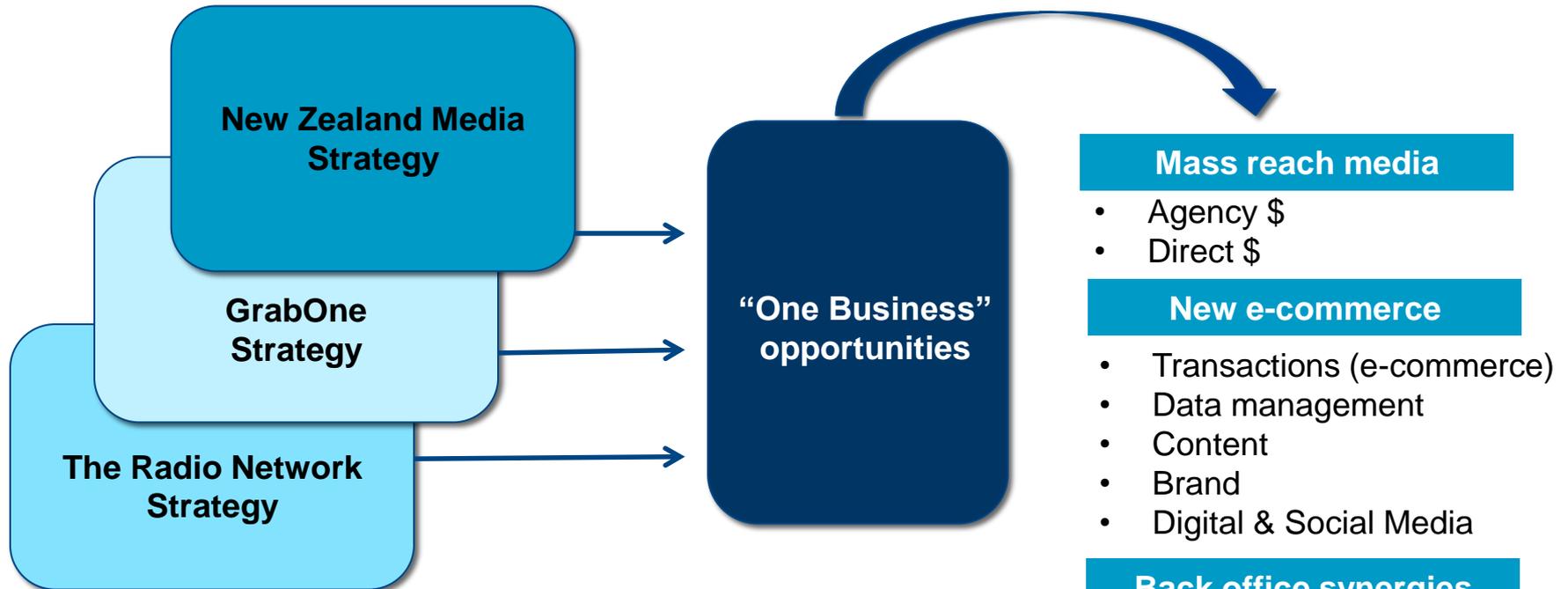
“... it was certainly the most successful campaign that our company had ever run in New Zealand. .. twice as effective as the same campaign that was run at the same time in USA , UK and Australia... it not only delivered on our aggressive awareness targets but caused significant shifts in consumer perceptions of the brand.”

– David Poole, Head Of Marketing, Pernod Ricard New Zealand

## New multi-media team

- Strategy led
- Targeting \$600m spent annually on TV in NZ
- Early success – banks, telcos

# Unlocking the power of our NZ assets



How does this meet advertiser and agency needs:

- Strategic partner
- Simplicity, easy to buy – one stop shop
- Access to biggest audience, multi channel
- Solutions, sponsorships, partnerships

# APN News & Media Limited

Annual General Meeting  
2 May 2013

Ciaran Davis, Chief Executive Officer, Australian Radio Network



*radio*network

# ARN performance continues to improve

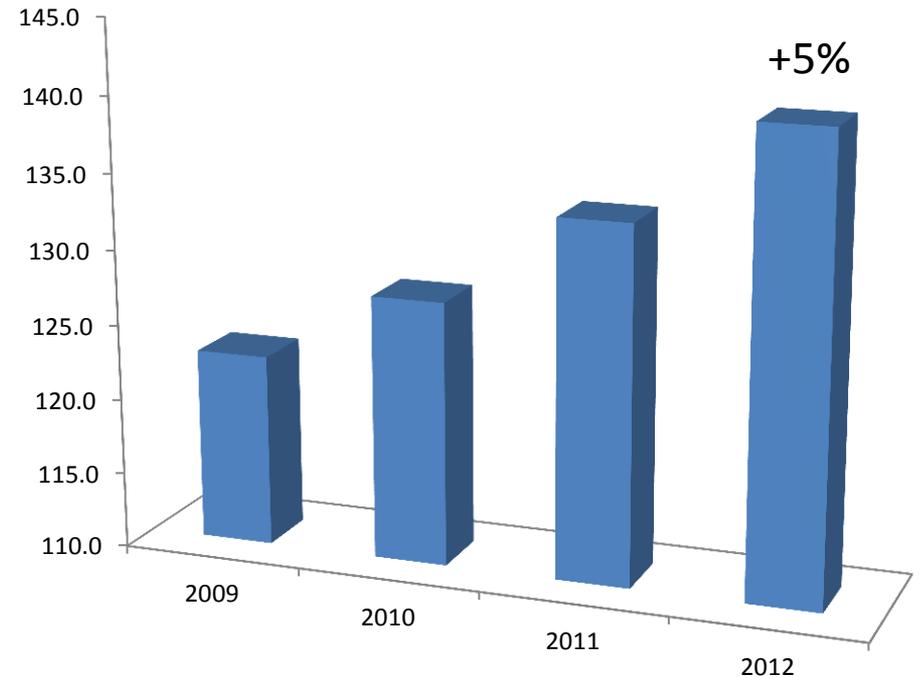
AUD million		Revenue		EBITDA	
ARN 2012 v 2011		\$140m	5%	\$51m	7%

- Growth in all key metrics - ratings, revenue, market share and profitability
- Improved results in 2012 continue into 2013
  - Quarter 1 revenue growth exceeding market
  - ARN now hold No. 1 FM position in 3 of 4 markets – Sydney, Brisbane and Adelaide
- iHeartRadio to launch in 2013 providing the company with an opportunity to deliver new audiences and revenue streams

# Revenue Growth

- Radio market declined by 1.3% in 2012
- ARN outgrows the market for 22 consecutive months
- Share improvement in all markets
- New sales management driving Agency sales growth
- Holding traditionally strong position in Direct market
- Outlook for H1 2013 remains positive

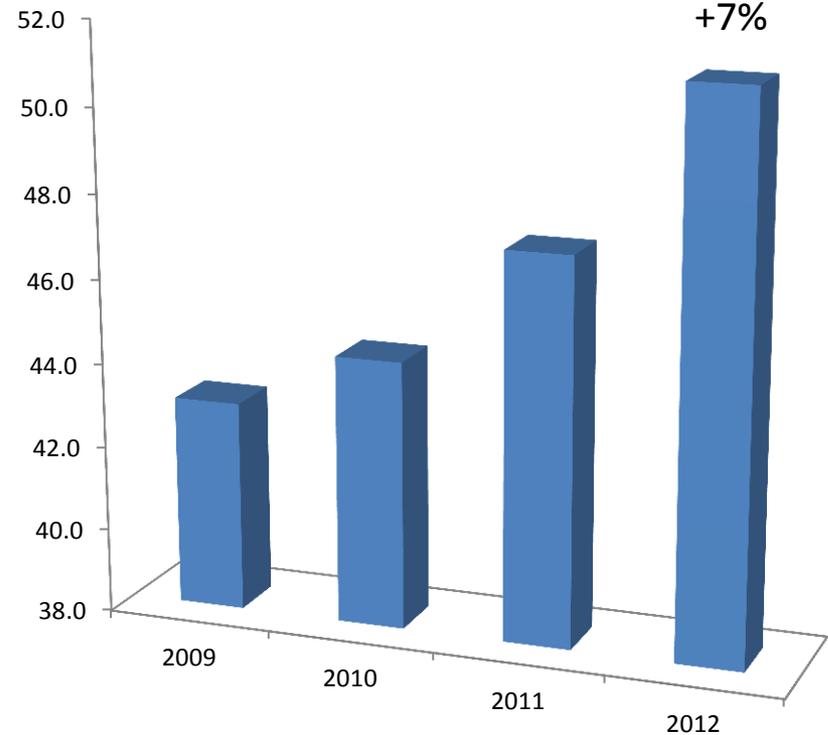
Revenue 2009 -2012 (\$m)



# EBITDA Growth

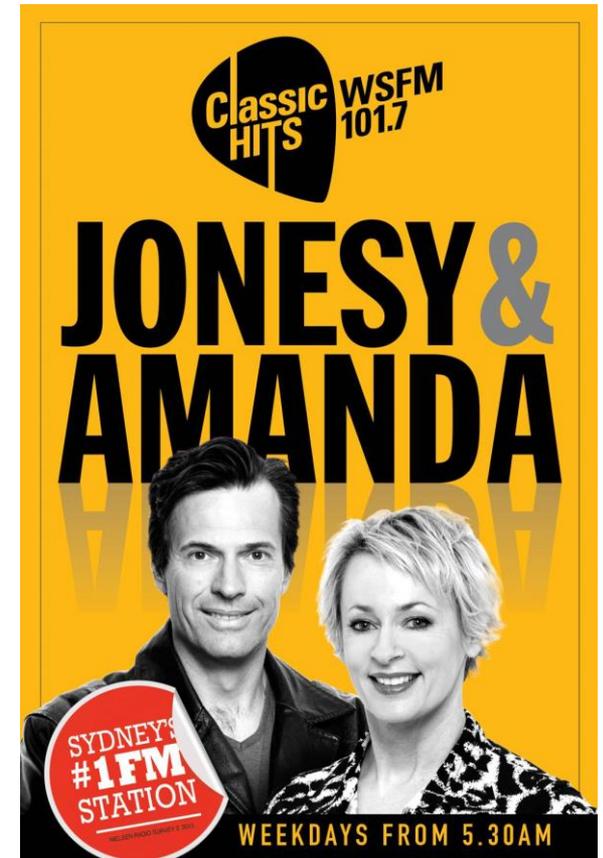
- EBITDA of \$51m represents an increase of \$4m, or 7% on 2011
- EBITDA margin of 36.5%, up from 35.3% in 2011
- EBITDA growth is attributable to:
  - ratings and revenue growth
  - investment in talent and marketing
  - Sharper focus on trading

ARN EBITDA 2009-2012 (\$m)



# Ratings Success

- Highest ratings (25 – 54 year old) in five years
- In the Sydney market, the WSFM breakfast duo of Jonesy & Amanda achieved their highest ratings
- Mix 101.1 in Melbourne launched new breakfast show hosted by Chrissie Swan and Jane Hall and achieved its highest ratings since 2004
- In Brisbane, 97.3 regained the #1 position
- In Adelaide, Mix 102.3 remained #1 station for each survey during 2012



# Rebuilding The Radio Network

AUD million		Revenue		EBITDA	
TRN 2012 v 2011		\$87m	-2%	\$15m	-12%

- 2012 NZ radio market flat
- New CEO commenced Sept 2012 – driving change and focusing on ratings and revenue improvement
- Restructure of leadership team
- Recruiting high profile talent
- Investment in sales capabilities
- Relaunch of Radio Hauraki
- Positive signs of improvement – Q1 2013 revenue performance ahead of market with market share improvement

# Radio. Anywhere. Anytime.

- Internet radio use is firmly established
- Connected devices driving increased time spent listening
- iHeartRadio is the fastest growing digital radio platform in the US
- Meeting audiences demands and competing head on with niche operators
- Offers access to new listeners – particularly the younger demographics
- New revenue opportunities to advertisers with enhanced consumer data



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