



# 2008 Full Year Result

25 February, 2009

Chief Executive Brendan Hopkins  
Chief Financial Officer Peter Myers

# 2008 Full Year Result (pre-exceptionals)

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## Satisfactory result in tough conditions

Underlying Revenue*	1,226.4	(5%)
EBITDA	319.5	(11%)
<b>NPAT</b>	<b>140.1</b>	<b>(17%)</b>
Earnings Per Share	28.6	(17%)
Full Year Dividend	22.5 cents	(29%)

\* Currency adjusted

# 2008 Key Outcomes

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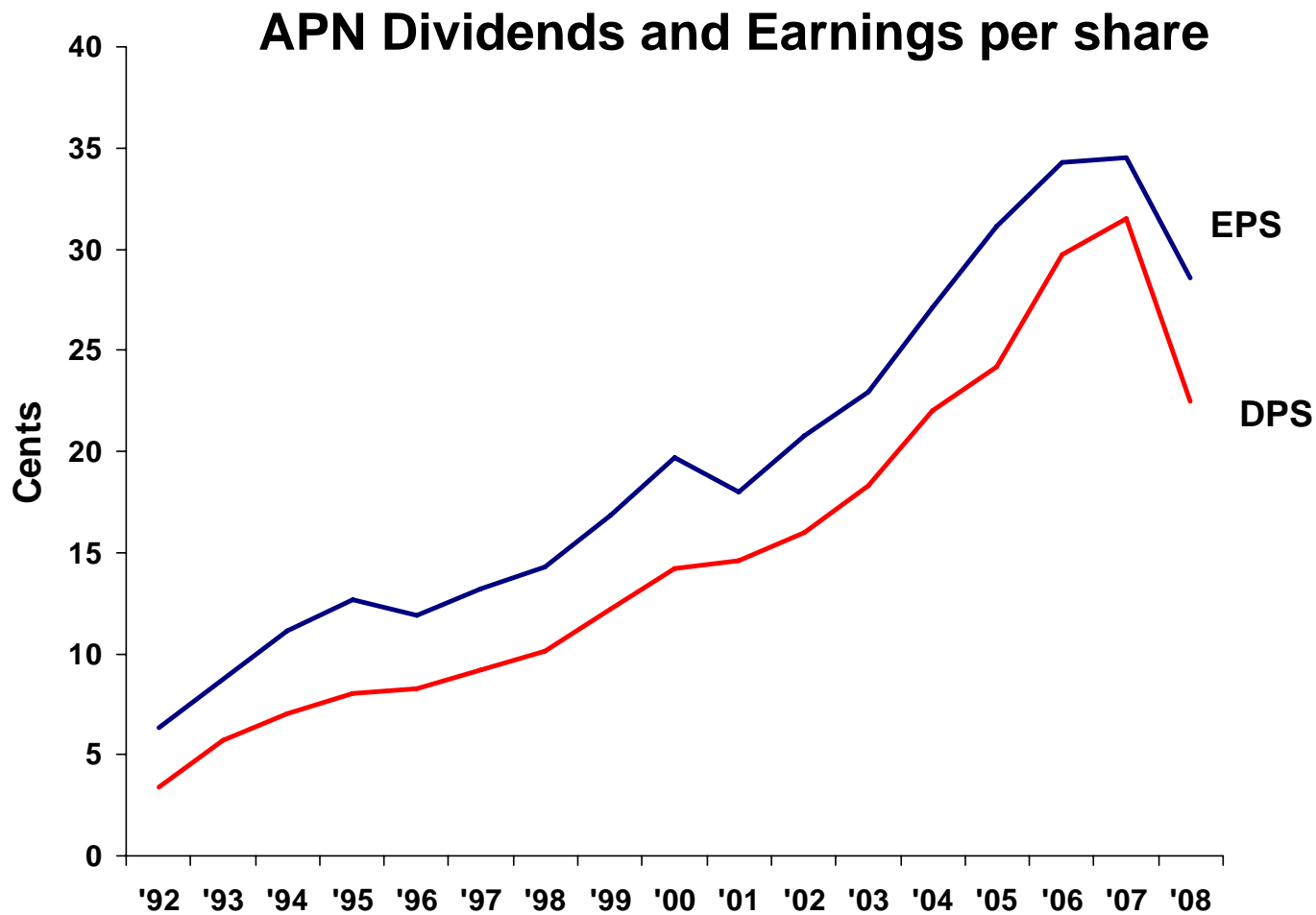
- Tough market conditions for entire media industry, particularly in Q4
- Costs down YoY through early start to restructuring; improved leverage
- Capital-intensive cost programme finalised
- Revenue challenge is cyclical; classified exposure minimal
- \$146.8m non-cash impairment charge relates to 2001 NZ acquisition; remaining asset valuations conservative
- Debt levels satisfactory; less than 25% matures inside two years
- Forward bookings provide some confidence

# Divisional Performance – FY (pre-exceptionals)

AUD millions	Revenue		EBIT	
	FY 08	Reported Change	FY 08	Reported Change
Publishing	<b>730.9</b>	(7.2%)	<b>170.9</b>	(19.5%)
- Australian	303.4	0.1%	84.3	(11.3%)
- NZ Regional	117.9	(10.5%)	20.4	(32.8%)
- NZ National	291.9	(14.4%)	71.1	(25.8%)
- Online	17.7	54.6%	(4.9)	44.8%
Radio	<b>235.2</b>	(9.1%)	<b>68.9</b>	(18.8%)
Outdoor	<b>264.9</b>	(1.4%)	<b>39.5</b>	6.7%
Corporate & other	<b>13.2</b>	20.8%	<b>(0.7)</b>	(92.8%)
<b>TOTAL</b>	<b>1,244.2</b>	(6.1%)	<b>278.6</b>	(13.9%)
Interest	<b>3.3</b>			
Exceptionals	<b>10.8</b>			
As reported	<b>1,258.3</b>			

Note: On a constant currency basis the year-on-year performance of the NZ operations improves approx. 3%

# APN Annual Results – Context



# A leader in each of our markets

● Publishing ● Radio ● Outdoor ● Online

## Australia

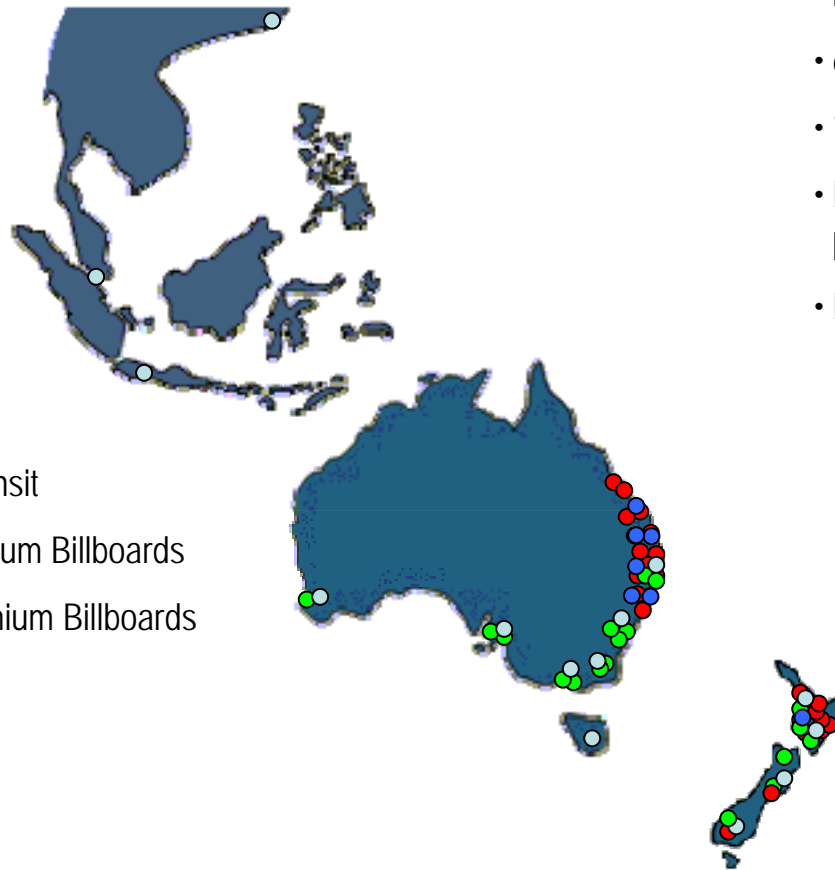
- Market leading daily newspapers
- 60 community and magazine titles
- 12 metropolitan radio stations
- Largest operator of transit, street furniture, posters and supersites
- Leading regional websites

## New Zealand

- The New Zealand Herald and Herald on Sunday
- Market-leading magazine portfolio
- Nine regional dailies; >40 communities
- Market-leading radio network
- Largest transit, street furniture, posters and supersites operator
- Leading online news website

## Asia

- Outdoor advertising
  - Hong Kong - Transit
  - Malaysia – Premium Billboards
  - Indonesia – Premium Billboards



# Unique Market Characteristics

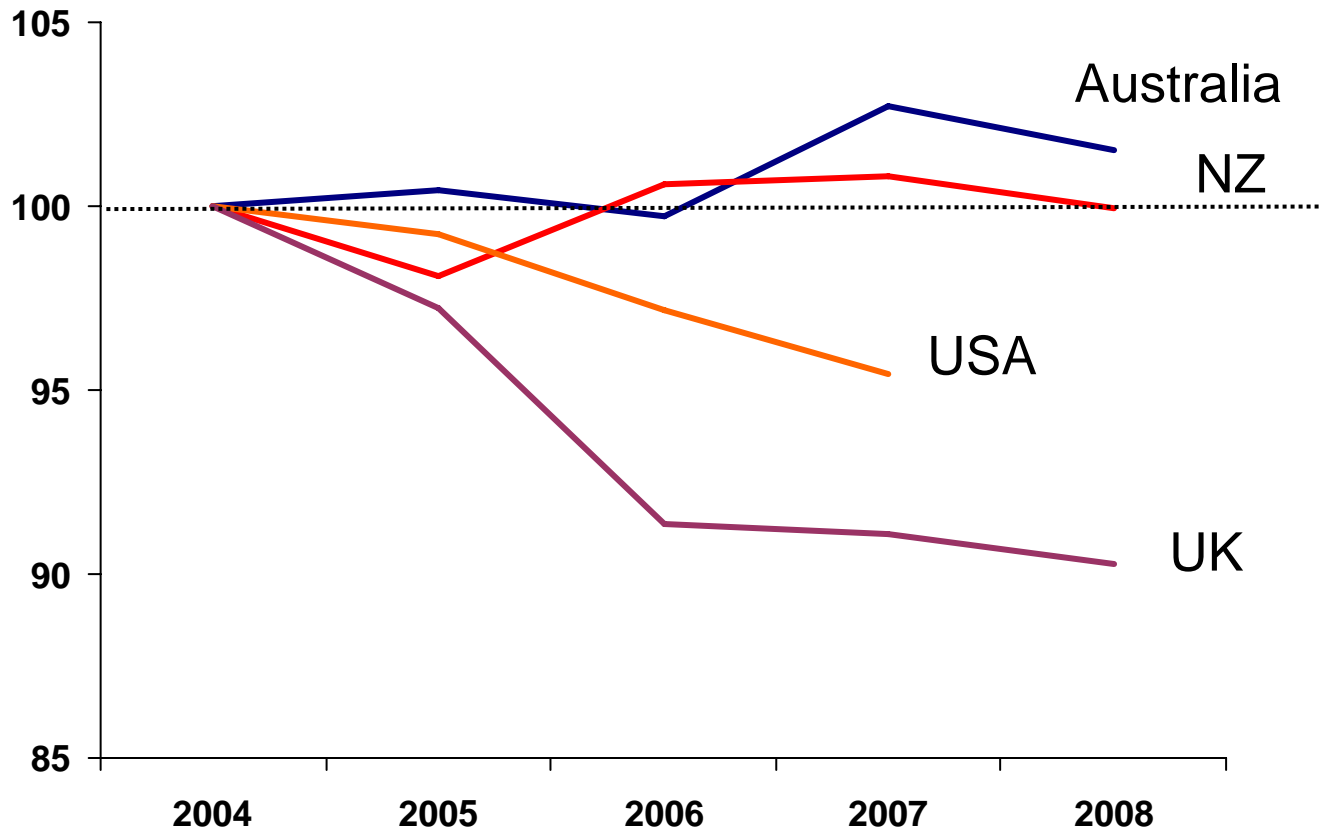
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Publishing in Australia & NZ is **not** the same as in UK and USA

	Aust/NZ	UK	US
Less dependence on classifieds	✓	✓ National/ <b>X</b> Reg.	<b>X</b>
Readership growth	✓	<b>X</b>	<b>X</b>
Discrete markets	✓	<b>X</b>	<b>X</b>
National advertising growth	✓	<b>X</b>	<b>X</b>
High subscription base	✓	<b>X</b>	✓
Modern plants/gloss capability	✓	✓	<b>X</b>

# Unique Market Characteristics

## 1. Newspaper readership (Index: 2004 = 100)



Australia: Gross readership of metro and national dailies (Mon-Fri) - RMR Single Source; all data Jan-June

NZ: Total daily newspapers - National Readership Survey

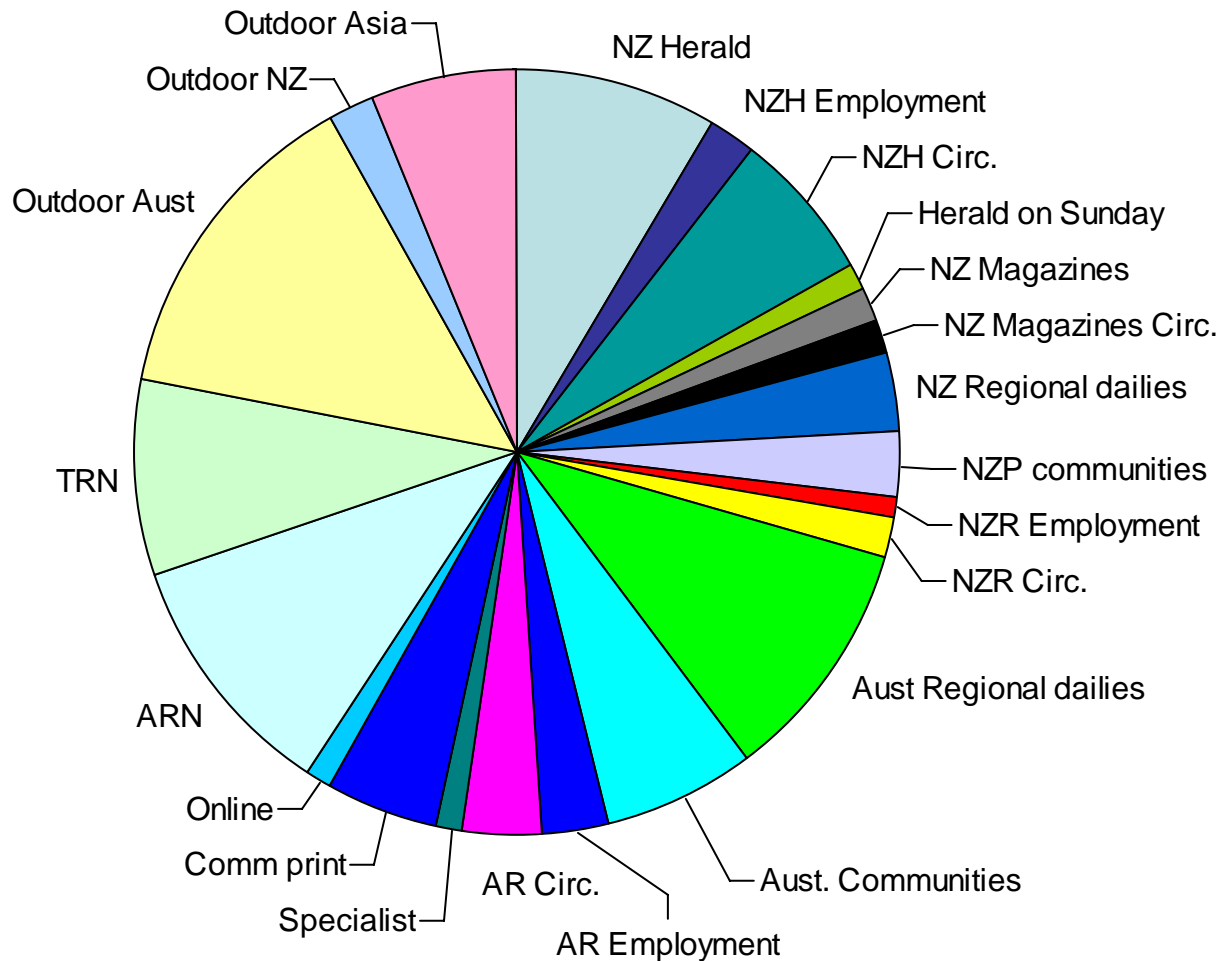
USA: Readership of daily newspapers in top 50 markets - Scarborough Research

UK: Total readership of national daily newspapers - National Readership Survey



# A diversified multi-media business

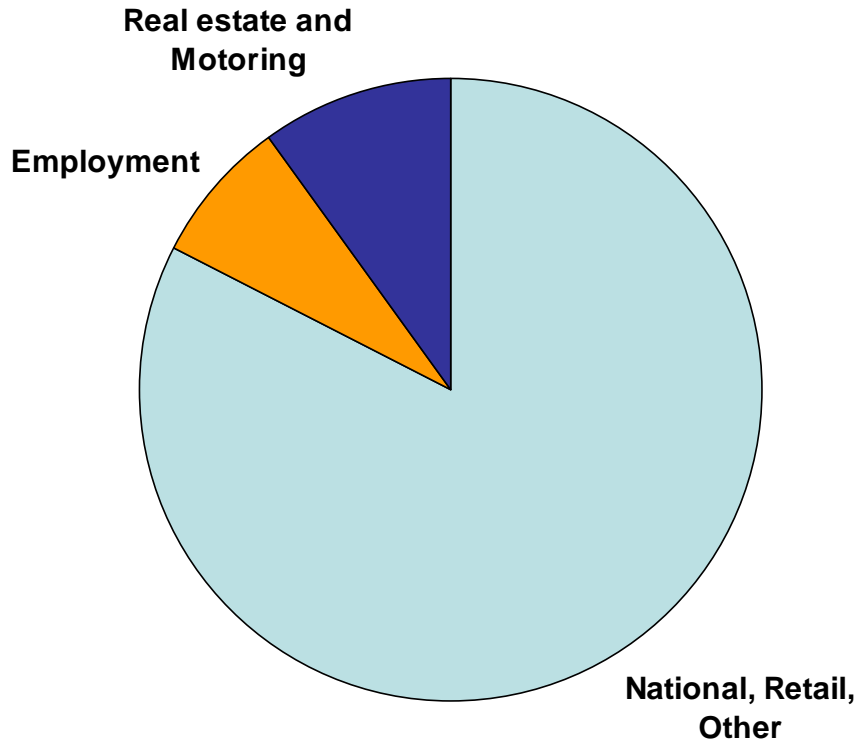
**2008 Revenue: \$1.2bn**



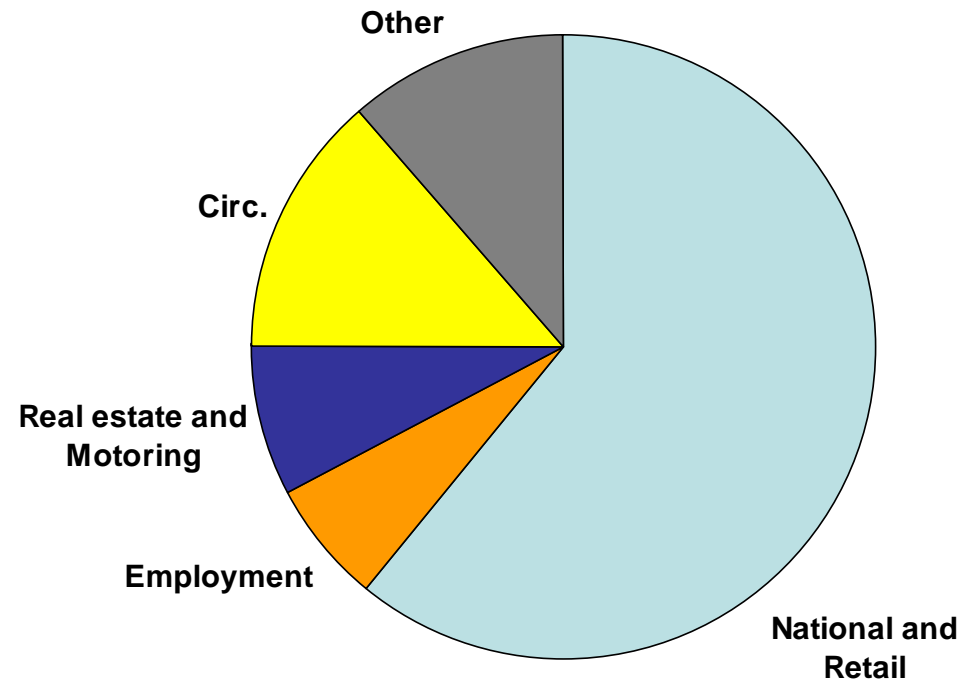
# A diversified multi-media business

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## 2008 Advertising Revenue

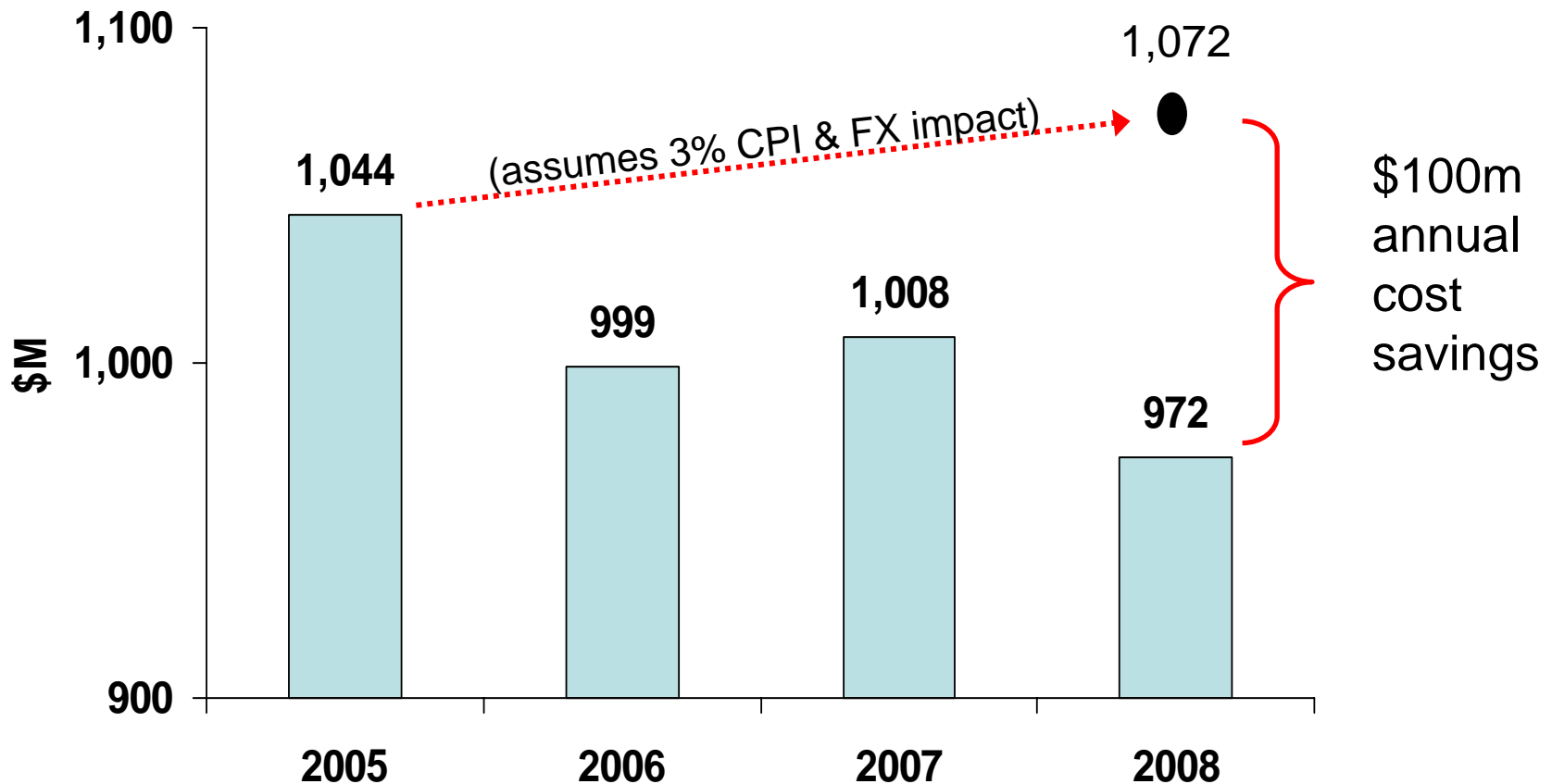


## 2008 Total Revenue



# A Business in Transformation

## Recurring costs



# Australia

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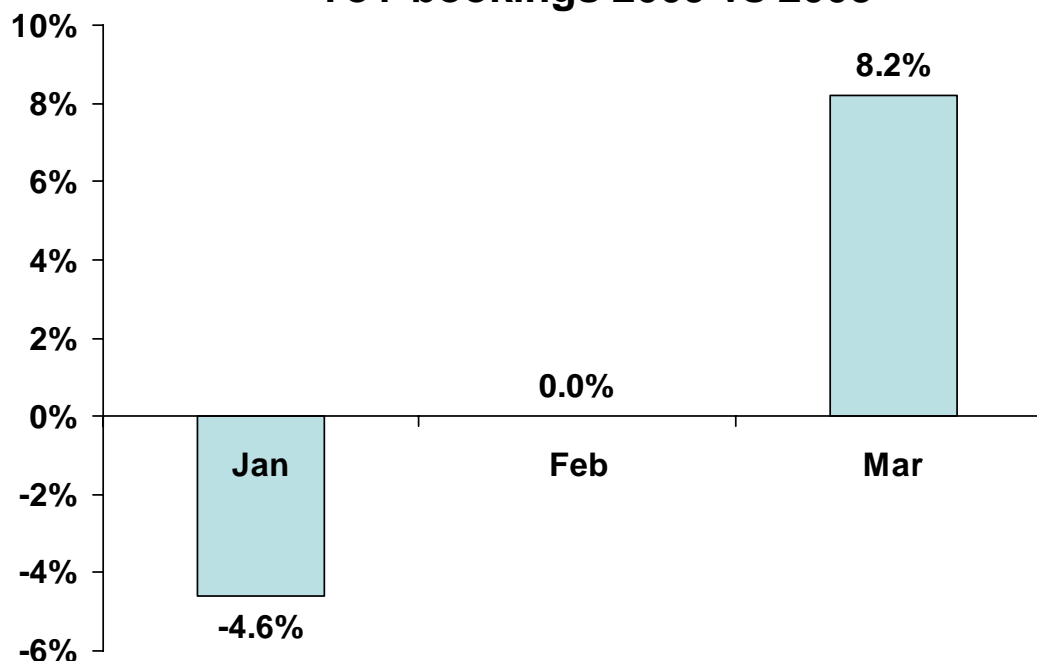
# Australia – Publishing



- National advertising shows strength into Q1
- Retail & National almost 60% of advertising; less reliance on classified
- Solid readership results
- Almost 30% of editorial pages now shared across Australian dailies
- Advertisers increasing use of colour
- Dual focus on cost efficiency from new plant and revenue growth from new sales structures

# Australia – Forward orders and costs

**Australian Publishing National Sales**  
YoY bookings 2009 vs 2008



- National sales Q1 in line with 2008, with March trending upwards
- Visibility limited beyond first quarter
- Costs down 8% Q1 2009 vs Q1 2008

# Australia – Radio

- 12 stations in key metro markets; Mix & Classic Hits
- More than 4.2m listeners 10+ each week; core 25-54 demographic
- Since 2002, ARN has maintained advertising share despite a new competitor in every major market
- Encouraging share trends in key Sydney market

\$Am	2008	2007	Var
Revenue	130.7	141.3	(7.5%)
EBIT	48.2	56.9	(15.3%)
Margin	36.9%	40.3%	



# Australia – Radio

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- Finished 2008 as number 1 FM network in Sydney in both 10+ and target 25-54 demographic
- Sydney sales teams producing good results in Direct and Agency
- Investment in programming supported by renewed focus on sales systems and training
- Key management appointments to lift Melbourne sales



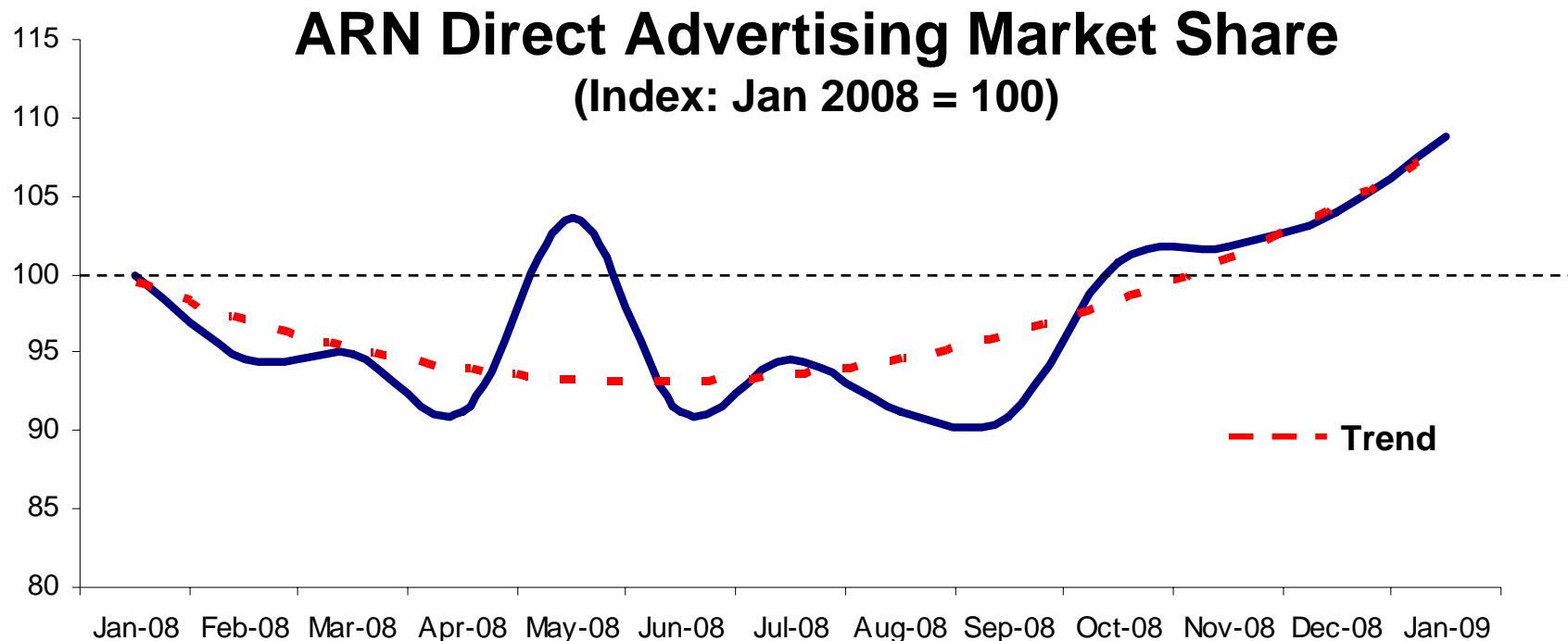
Jonesy & Amanda WSFM



Sonia Kruger & Todd  
McKenney Mix 106.5

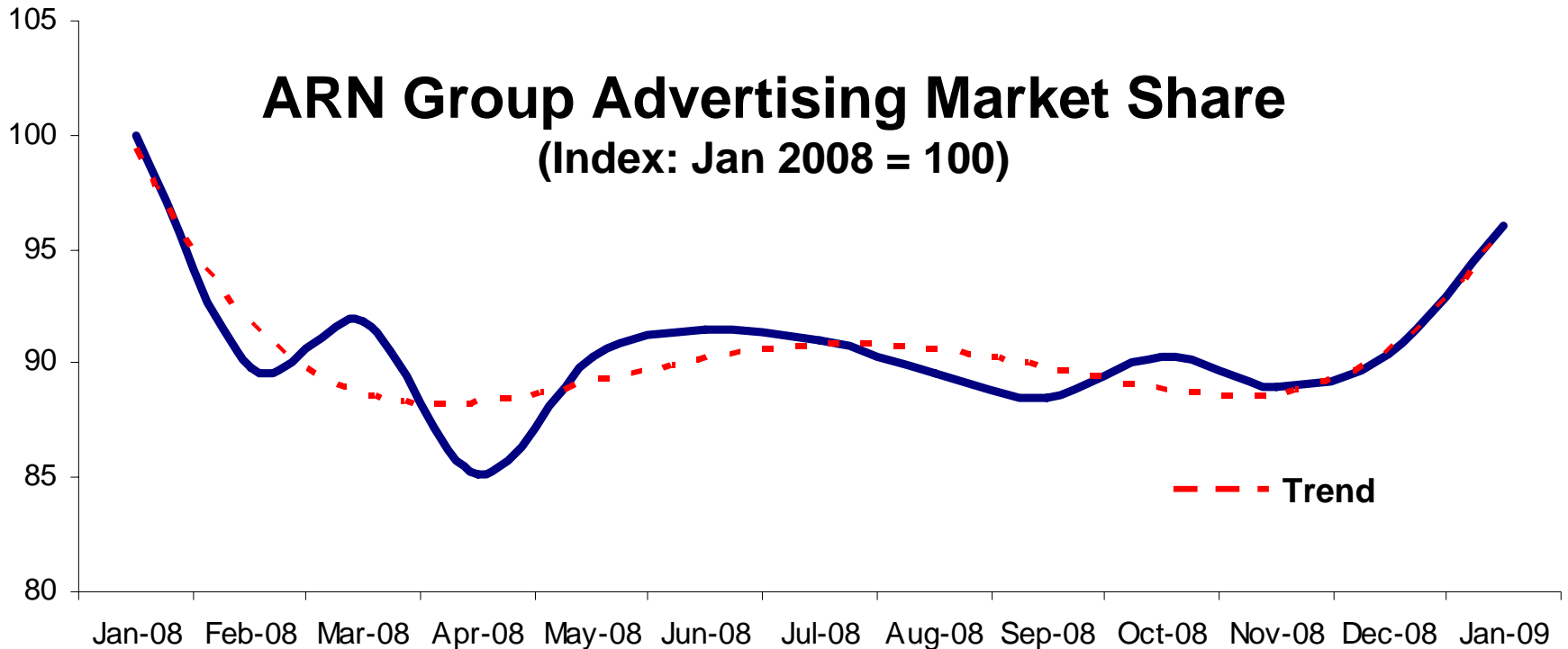


# Australia – Radio share



- Market share gains in Direct category
- Good Q4 growth continuing in 2009
- Direct sales processes extended to Agency teams

# Australia – Radio share



- Market share trending positive
- Solid performance in Sydney; upside potential for Melbourne

# Australia – Digital Radio and Online

The image displays three overlapping screenshots illustrating digital radio and online content for Mix 106.5. The background screenshot shows the website's homepage with the slogan 'SYDNEY. FEEL GOOD' and a 'ListenLive' section for 'MIX 106.5 MORNINGS WITH SONIA KRUGER & TODD MCKENNEY'. The middle screenshot shows the 'Sonia & Toddcast' page, featuring a 'PODCAST DESCRIPTION' and a table of recent episodes. The rightmost screenshot shows the '97.3FM Breakfast - Robin Bailey, Terry and Bob' podcast page on iTunes, also with a 'PODCAST DESCRIPTION' and a table of episodes.

Name	Time	Artist	Release Date	Description
1 The 97.3FM Pod 15.02.08 (Friday)		97.3FM Breakfast	15/02/2008	
2 The 97.3FM Pod 14.02.08 (Thursday)		97.3FM Breakfast	14/02/2008	1. Tec and Terry
3 The 97.3FM Pod 13.02.08 (Wednesday)		97.3FM Breakfast	13/02/2008	1. Attack of the
4 The 97.3FM Pod 12.02.08 (Tuesday)		97.3FM Breakfast	12/02/2008	1. Someone
5 The 97.3FM Pod 11.02.08 (Monday)		97.3FM Breakfast	11/02/2008	1. Tec and Terry
6 The 97.3FM Pod 07.02.08 (Thursday)		97.3FM Breakfast	11/02/2008	1. People do
7 The 97.3FM Pod 06.02.08 (Wednesday)		97.3FM Breakfast	7/02/2008	
8 The 97.3FM Pod 04.02.08 (Monday)		97.3FM Breakfast	6/02/2008	1. Terry's top
9 The 97.3FM Pod 03.01.08 (Friday)		97.3FM Breakfast	4/02/2008	1. Robin and
10 The 97.3FM Pod 01.01.08 (Thursday)		97.3FM Breakfast	1/02/2008	1. Terry and
11 The 97.3FM Pod 30.01.08 (Wednesday)		97.3FM Breakfast	1/02/2008	1. Who do you
12 The 97.3FM Pod 29.01.08 (Tuesday)		97.3FM Breakfast	31/01/2008	1. Tec made
13 The 97.3FM Pod 25.01.08 (Friday)		97.3FM Breakfast	29/01/2008	1. Robin said
14 The 97.3FM Pod 24.01.08 (Thursday)		97.3FM Breakfast	25/01/2008	1. When can
15 The 97.3FM Pod 23.01.08 (Wednesday)		97.3FM Breakfast	24/01/2008	1. Terry has
			23/01/2008	1. The top in
				1. Losing you

Name	Time	Artist	Release
1 Mix Mornings: 19th February 09		Mix Mornings	20/02/2009
2 Mix Mornings: 19th February 09	11:34	Mix Mornings	20/02/2009
3 Mix Mornings: 18th February 09	15:19	Mix Mornings	19/02/2009
4 Mix Mornings: 17th February 09	12:22	Mix Mornings	18/02/2009
5 Mix Mornings: 16th February 09	18:40	Mix Mornings	17/02/2009
6 Mix Mornings: 12th February 09	12:43	Mix Mornings	16/02/2009
	12:27	Mix Mornings	13/02/2009

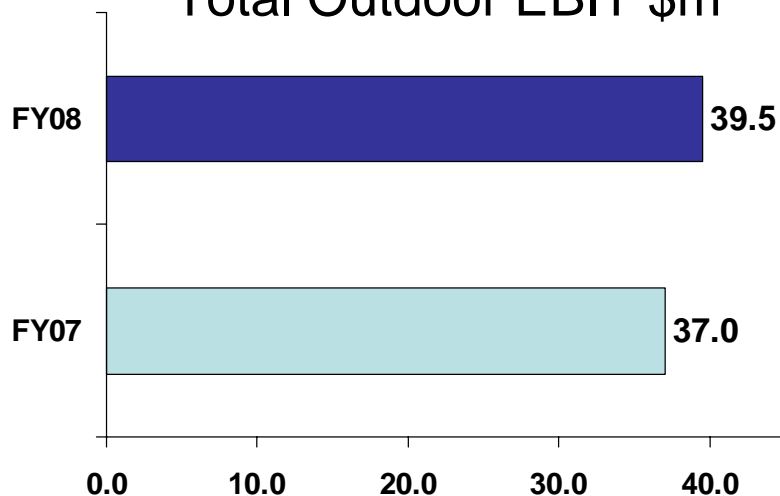
- Online streaming and iTunes provide fresh distribution channels
- Digital broadcasting on track for launch
- Simulcast and new format opportunities

# Australia – APN Outdoor

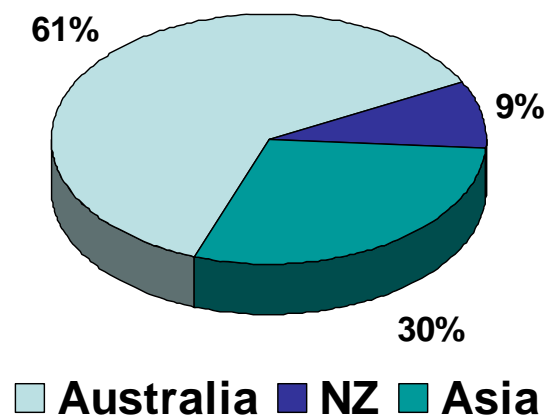
- Challenging Q4 impacted final result
- Improved Q1 2009, with forward bookings gaining momentum
- Built or maintained market share in all key categories
- Good cost performance as overheads cut



Total Outdoor EBIT \$m

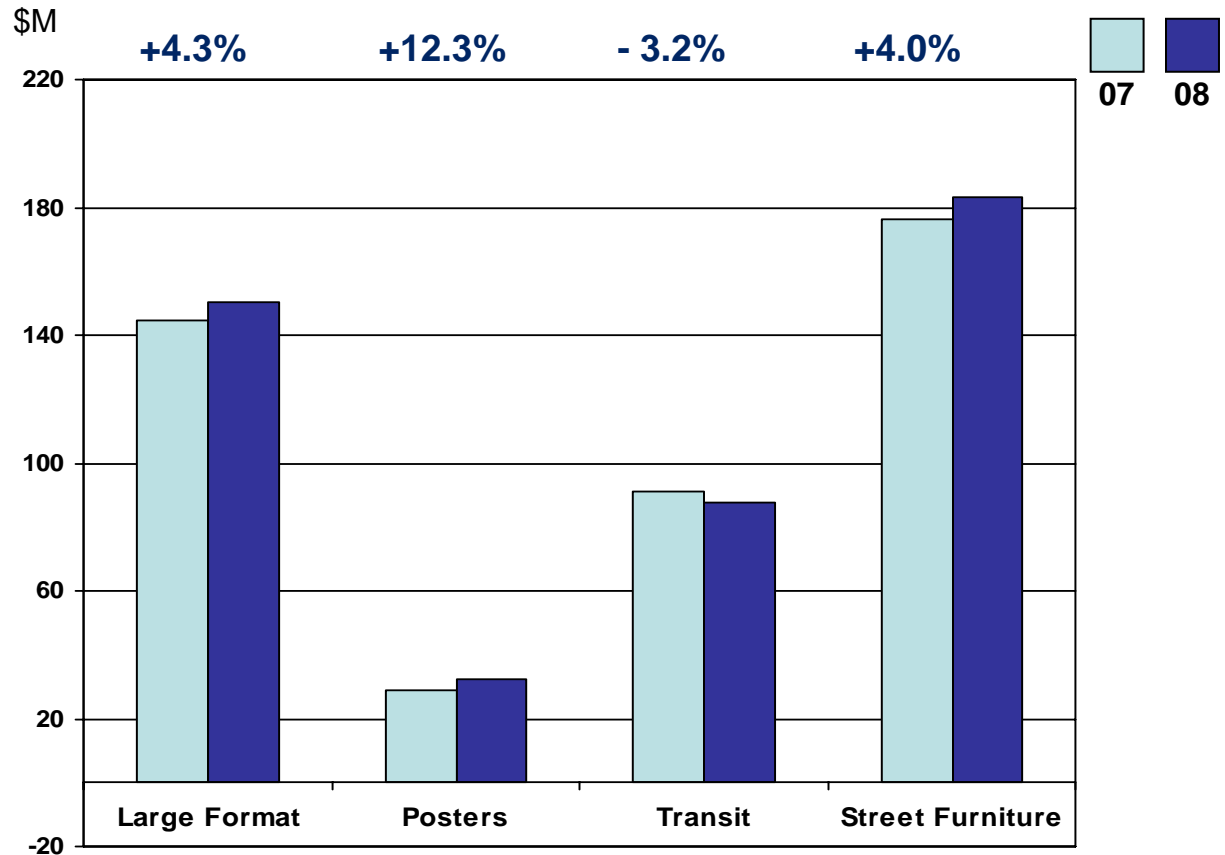
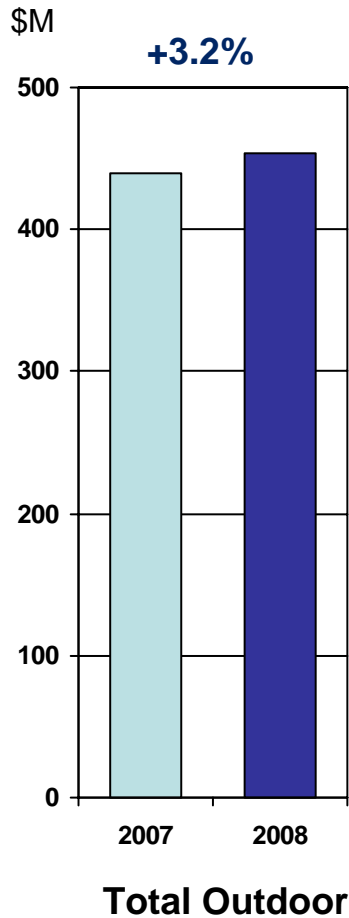


Outdoor Revenue by Geography



# 2008 Market Revenue | Australia

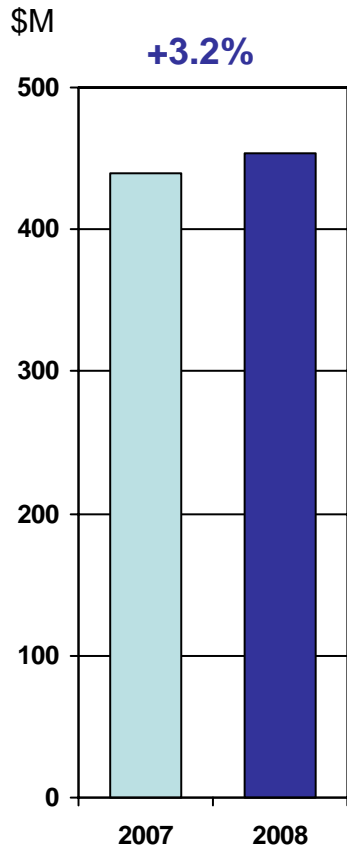
YOY Total Market Growth Rates – Jan to Dec 2008



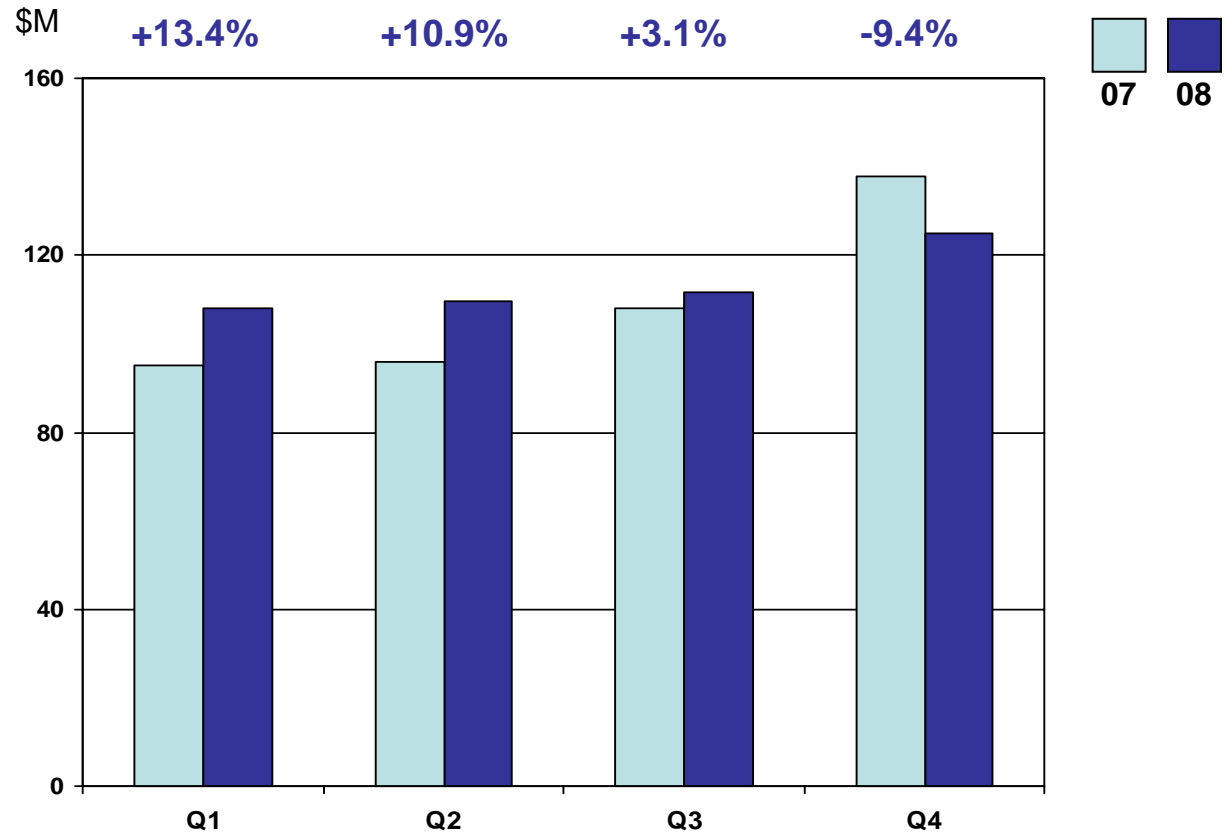
Note: NMS \$M for the Australian Market

# 2008 Market Revenue | Australia

YOY Total Market Growth Rates – Jan to Dec 2008



**Total Outdoor**



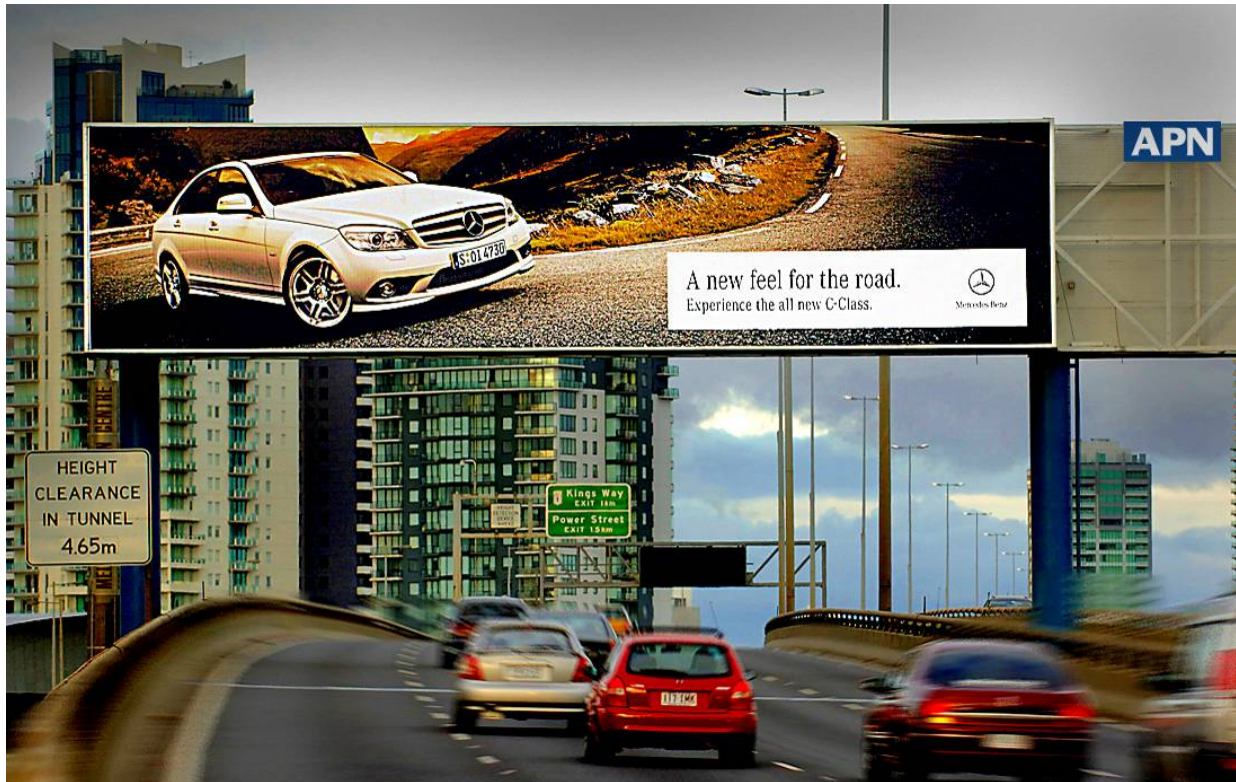
Note: NMS \$M for the Australian Market

# Australia – Outdoor developments



- Largest digital billboard in Australia launched Nov 2008
- Flexibility to change creative and target day-part
- Asset investment – new formats well received by advertisers
- Compass – new planning system introduced

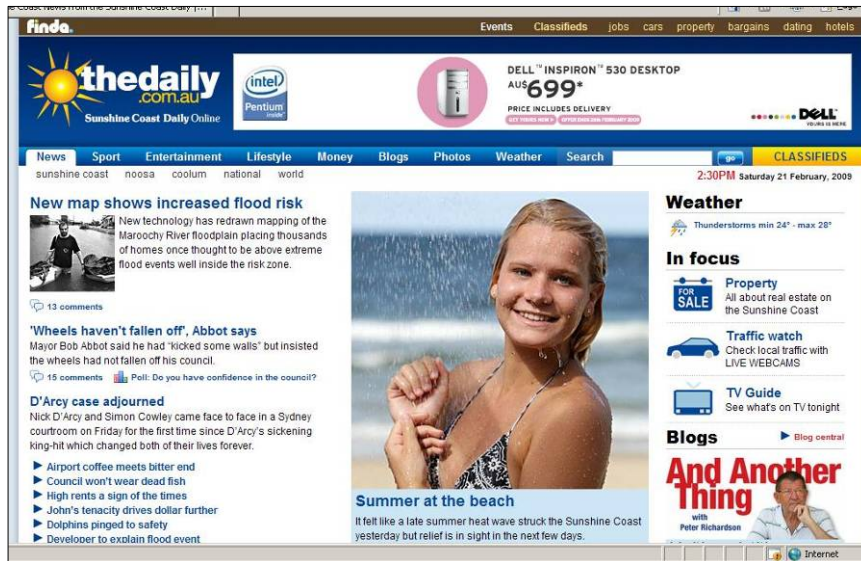
# Australia – Outdoor measurement



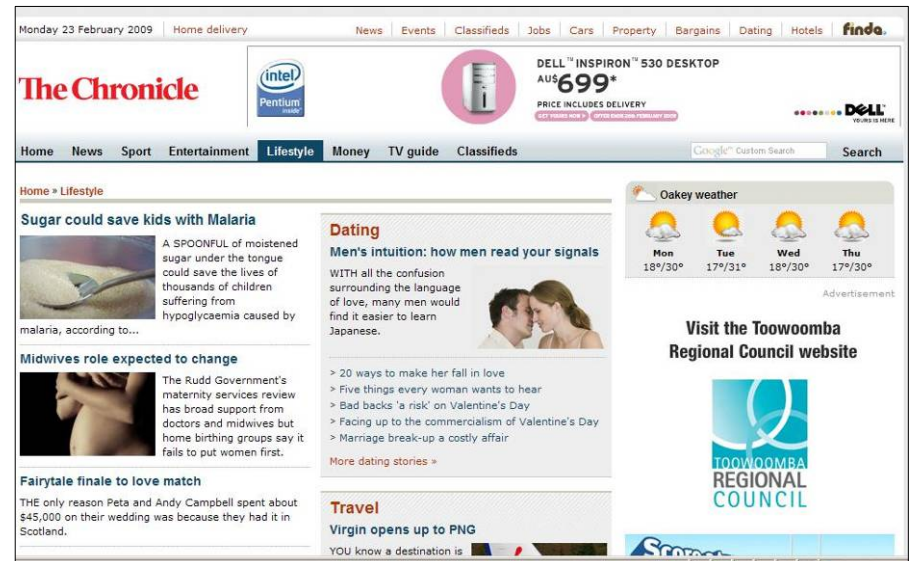
- Trial information being released and assessed
- Launch H2 2009
- Positive buy-in from all major industry participants



# Australia – Online



The screenshot shows the homepage of thedaily.com.au, a local news website for the Sunshine Coast. The header features the 'finda.' logo and navigation links for Events, Classifieds, jobs, cars, property, bargains, dating, and hotels. A prominent advertisement for a Dell Inspiron 530 Desktop is displayed at the top right. The main content area includes a news article titled 'New map shows increased flood risk' with a photo of a person, a weather forecast for Saturday 21 February 2009 at 2:30 PM, and a 'Summer at the beach' feature with a photo of a young girl. A sidebar on the right contains 'In focus' property listings, a 'Traffic watch' section, and a 'TV Guide'.



The screenshot shows the homepage of The Chronicle website. The header includes the date 'Monday 23 February 2009' and navigation links for Home delivery, News, Events, Classifieds, Jobs, Cars, Property, Bargains, Dating, Hotels, and finda. A Dell Inspiron 530 Desktop advertisement is visible at the top right. The main content area features a 'Lifestyle' section with an article titled 'Sugar could save kids with Malaria' and a 'Dating' section with the headline 'Men's intuition: how men read your signals'. A weather forecast for 'Oakey weather' is shown on the right, along with an advertisement for the Toowoomba Regional Council website.

- Regional Australia represents big upside opportunity
- APN newspaper sites redeveloped and producing strong traffic and revenue growth
- finda.com.au being developed as local platform to increase revenue reach into new markets
- Growth and development of Radio online sites

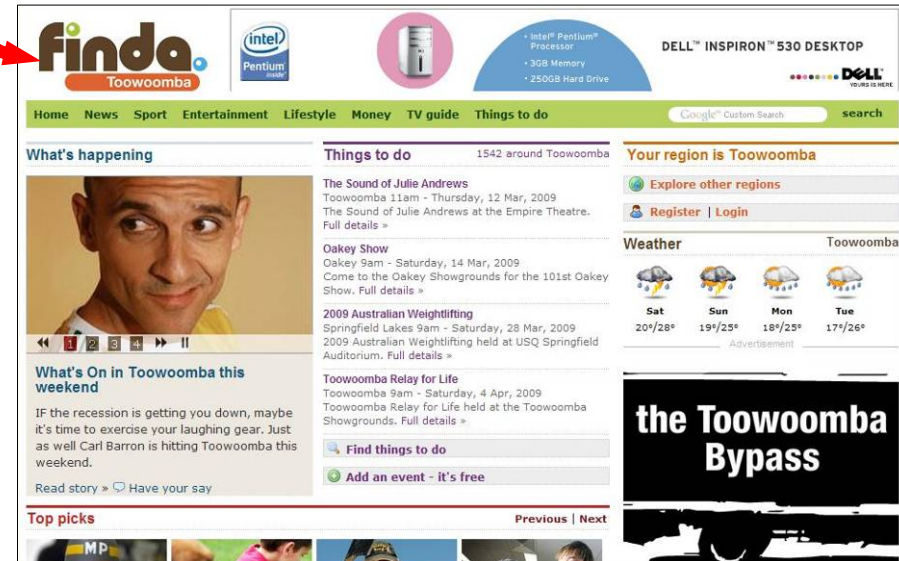
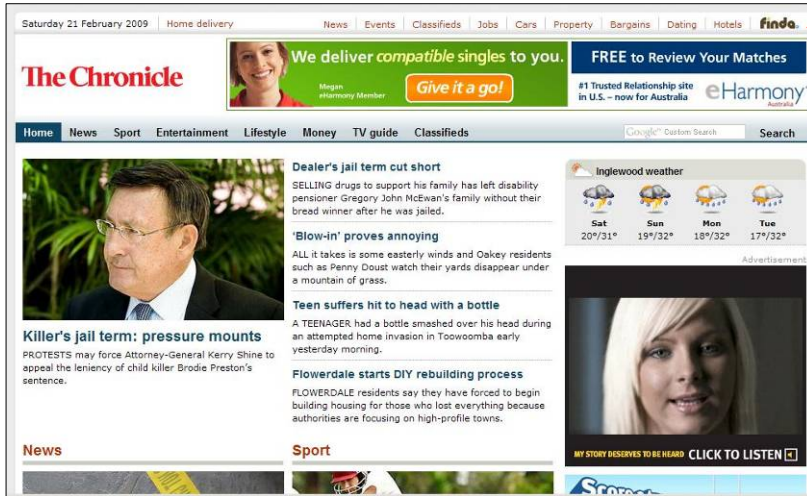
# Australia – finda communities

The screenshot shows the finda.com.au website for the Sunshine Coast region. The header includes the finda logo, Intel Core 2 Duo and Dell logos, and a banner for "ONE OF THE MOST STYLISH DESKTOP SYSTEMS ON THE PLANET". The navigation bar lists Home, News, Sport, Entertainment, Lifestyle, Money, TV guide, and Things to do. The main content area is divided into several sections: "What's happening" with a photo of Mimi McPherson, "Things to do" listing events like "Smokin Crawdads Live" and "The Return of the Springhillbillies", "Your region is Sunshine Coast" with a "Register | Login" button, "Weather" for Noosaville, and an advertisement for ANZ "Tip Jar" account. A "Top picks" section is visible at the bottom.

The screenshot shows the finda.com.au website for the Coffs Coast region. The header includes the finda logo, Intel Core 2 Duo and Dell logos, and a banner for "STUDIO XPS RANGE OF LAPTOPS". The navigation bar lists Home, News, Sport, Entertainment, Lifestyle, Money, TV guide, and Things to do. The main content area is divided into several sections: "What's happening" with a photo of a couple, "Things to do" listing events like "Horse Racing - Ulmarra Race Day" and "The Kransky Sisters Live", "Your region is Coffs Coast" with a "Register | Login" button, "Weather" for Emerald Beach, and an advertisement for ANZ "Tip Jar" account. A "Top picks" section is visible at the bottom.

- A one stop shop of everything you need to live in your local area
- Focus on localised content, links and information
  - Local event listings
  - Local movie listings, television listings, restaurants, gigs etc
  - Local weather
  - Local bloggers
- Foster community and drive user-generated content

# Australia - Building Online presence

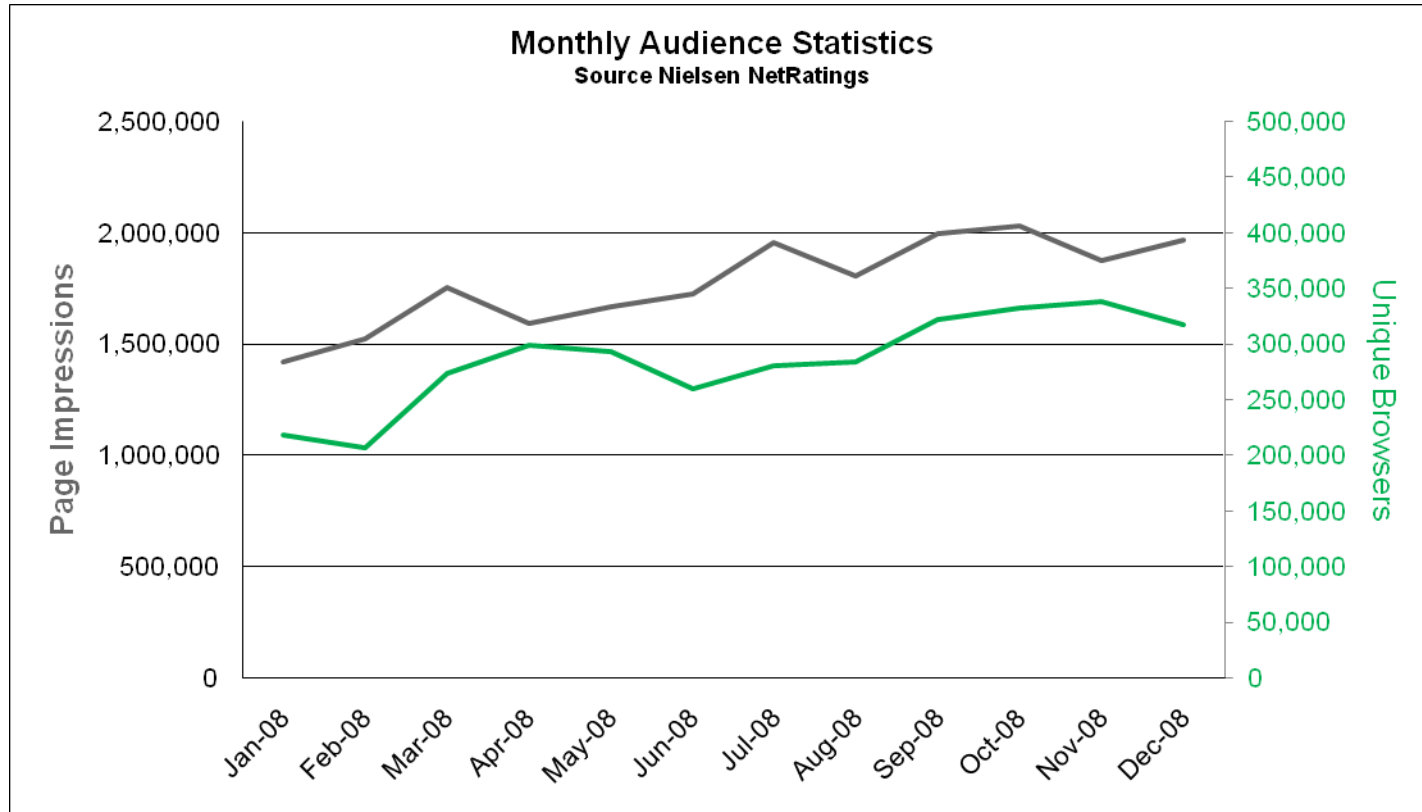


Two part strategy:

- Develop masthead websites (Regional News Network – RNN)
- Develop local finda websites

- Finda and RNN target different audiences and revenue opportunities
- Built on the same platform to maximise efficiencies
- Offers advertisers unique online audience

# RNN and finda traffic growth in 2008



- Good growth in local display and National sales to local sites
- Revenue up 80% Q3 vs Q2

# New Zealand

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# New Zealand – Publishing



- 8 out of 10 Aucklanders 15+ read an APN title each week
- National Display and Retail resilient; trending 65% of revenue
- Newspaper-inserted-magazine advertising up 13% and important readership driver
- Strong readership growth
- Good market share gains

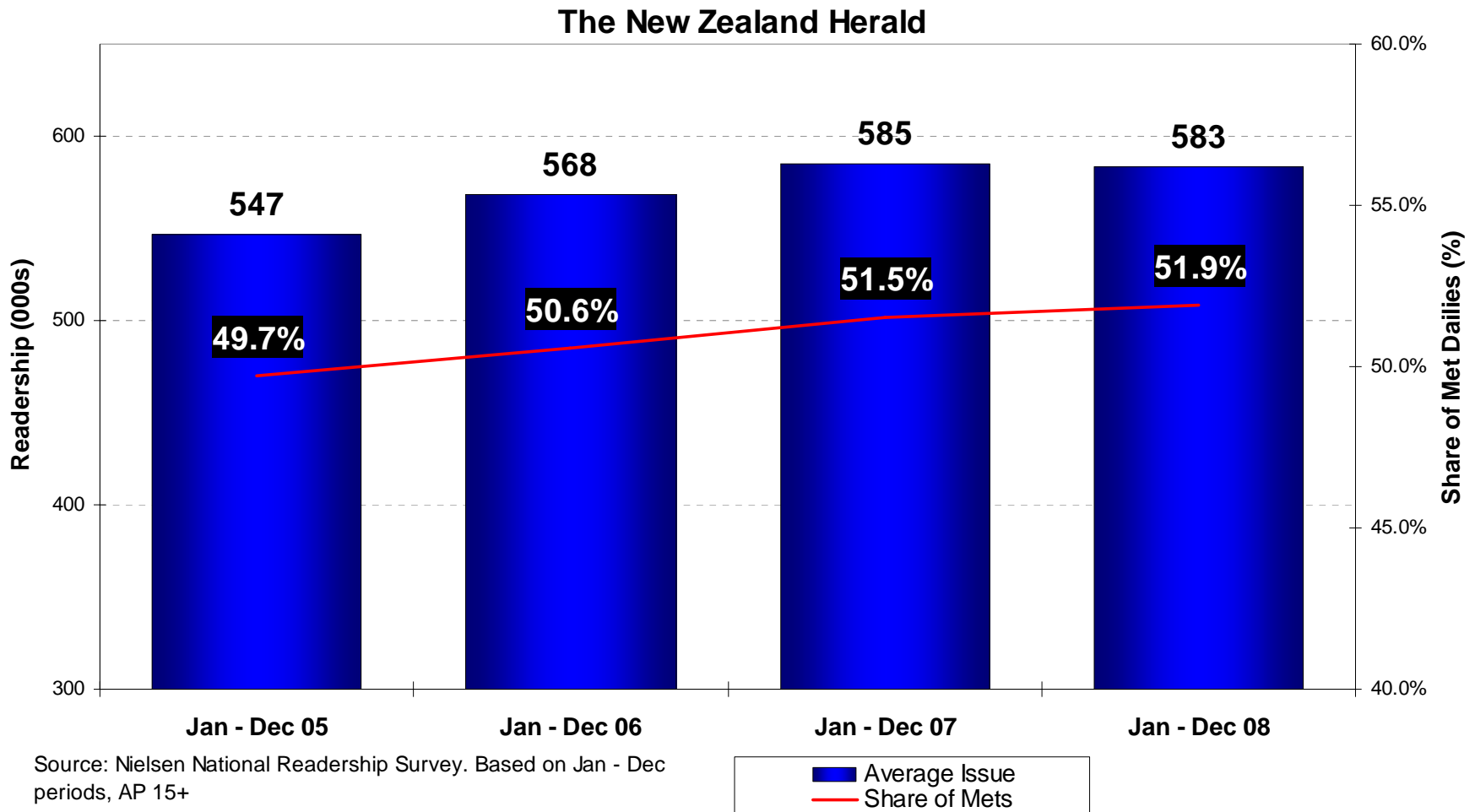
# The New Zealand Herald



- Paper reconfigured to two section broadsheet, giving greater paging flexibility
- Aucklander inserted in four editions to main newspaper
- Accelerated business restructuring: centralised advertising production moved to Auckland; overall leverage improved
- Production of ~1000 pages outsourced each week

# Readership Gains

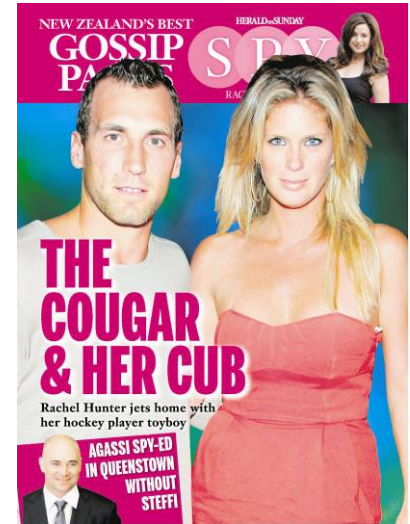
The most read newspaper in New Zealand





The New Zealand Herald

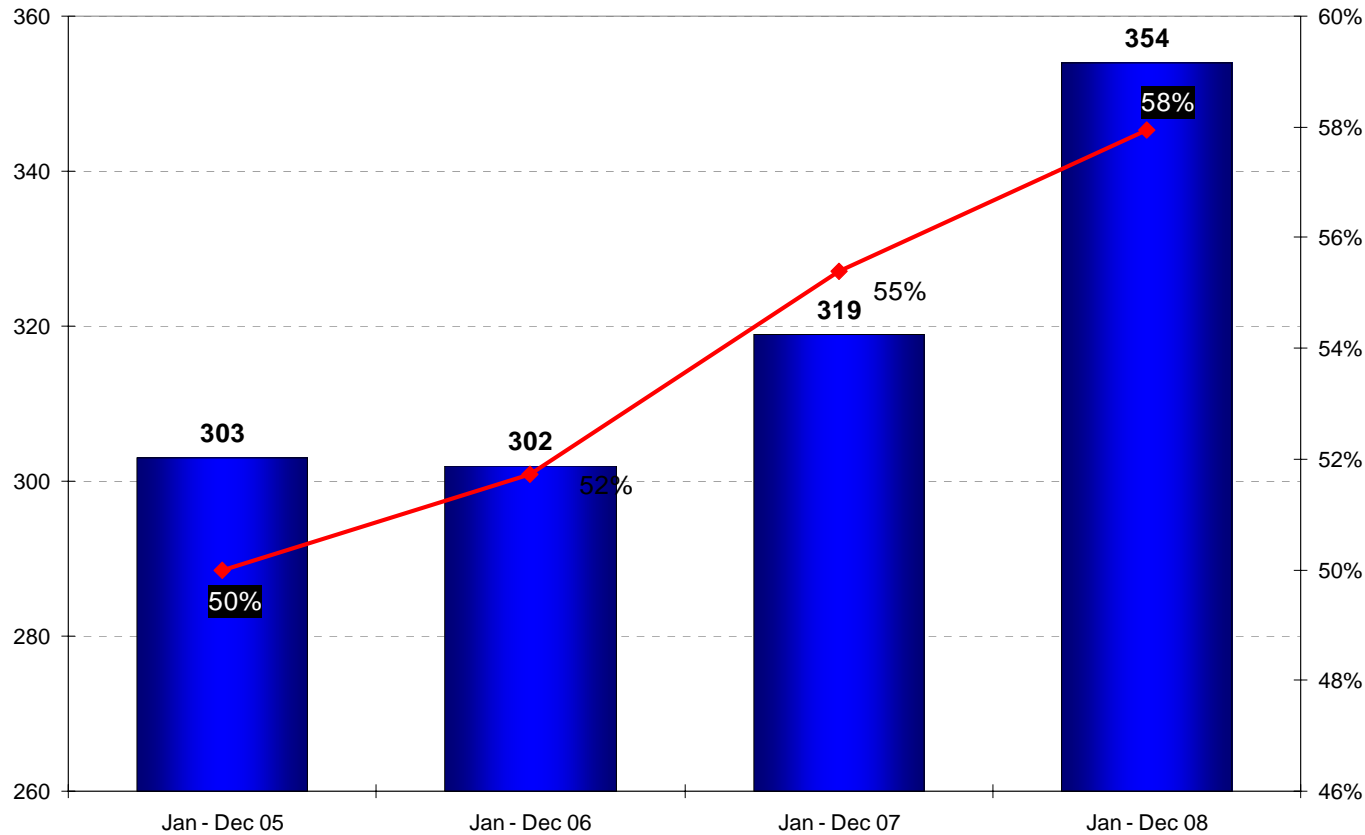
# HERALD ON SUNDAY



- Readership continues to accelerate and is leading Sunday in commercially-important Northern Region
- 17% growth in 3 years and profitable
- 64,000 more readers than nearest competitor
- Auckland readership growth up 18% in 2008 – nine times the population growth

# Fastest growing newspaper in New Zealand

Herald on Sunday



Nielsen National Survey: Based on Jan - Dec periods, AP 15+

■ Herald on Sunday ◆ % Share Sundays

# New Zealand – Magazines



- Package deals across NZ publishing portfolio drive advertising market share gains
- NZ Woman's Weekly most-read mass market title
- Listener Magazine No.1 selling current affairs title
- Crème No.1 teen title, with readership up 35% to 164,000
- Simply You circulation 42% higher than nearest competitor

# New Zealand – Regional Publishing



- Retail and National 60% of total advertising
- Outsourcing of more NZ regional production improves quality and reduces costs
- Marketing and logistics centralised
- Significantly improved leverage

# New Zealand – Radio

- Challenging market across the country
- Record overall 10+ share of 47.3%
- NewstalkZB No.1 network, with 12.9% share across the country
- Auckland: 4 of the top 5 stations, NewstalkZB No.1
- Wellington: record 53.9% share, NewstalkZB No.1
- Christchurch: NewstalkZB No.1

\$NZm	2008	2007	Var
Revenue	124.6	133.8	(6.9%)
EBIT	24.7	31.9	(22.6%)
Margin	19.8%	23.8%	

Keep Up With  
**NewstalkZB®**



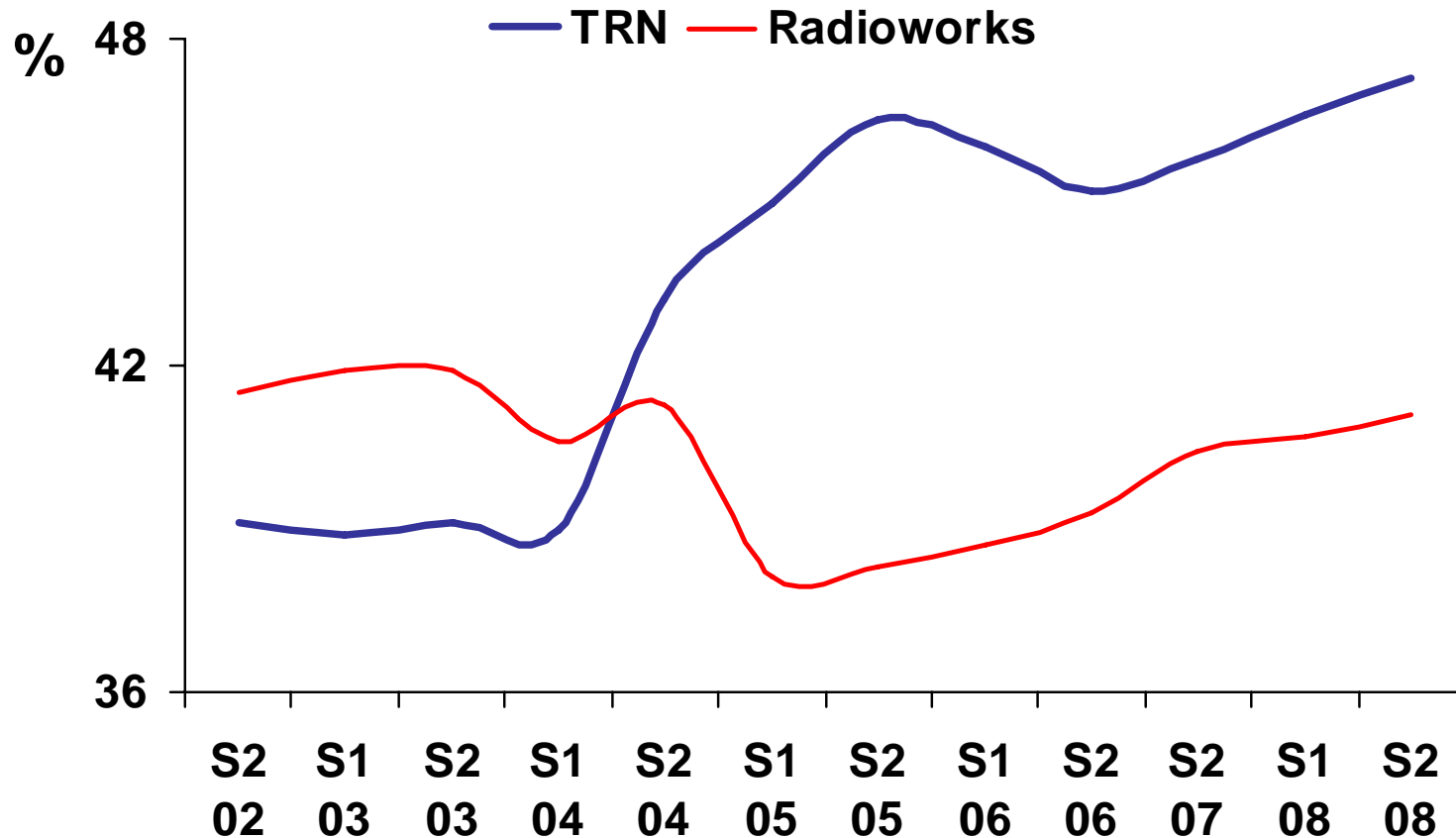
Hits of the 70's, 80's, 90's and Today



# New Zealand national audience share

## TRN continues to be the clear market leader in NZ radio

The Radio Network National 10+ Share



Source: Research International; National Database 2 2008

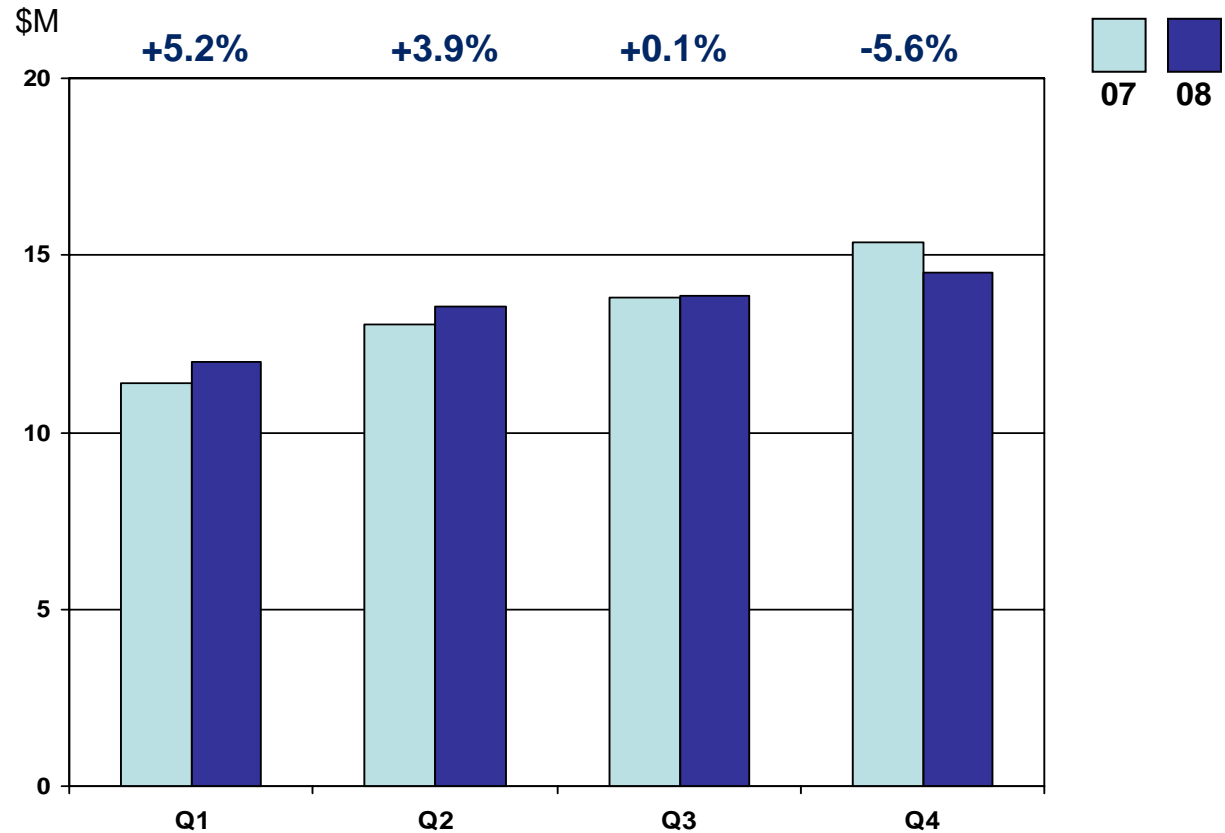
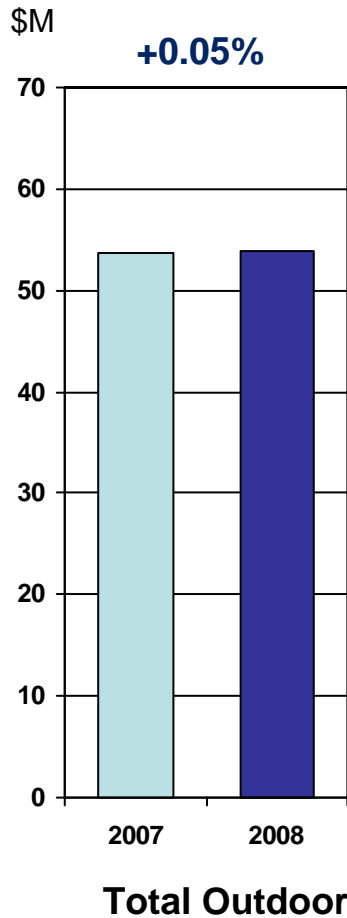
# New Zealand – Outdoor



- Acquisition of #3 billboard company in New Zealand
- 130 additional premium sites covering all major markets
- Market steady but tightened in final quarter

# 2008 Market Revenue | New Zealand

YOY Total Market Growth Rates – Jan to Dec 2008



All Figures are for the Jan to Dec period, showing NMS \$M for the New Zealand Market



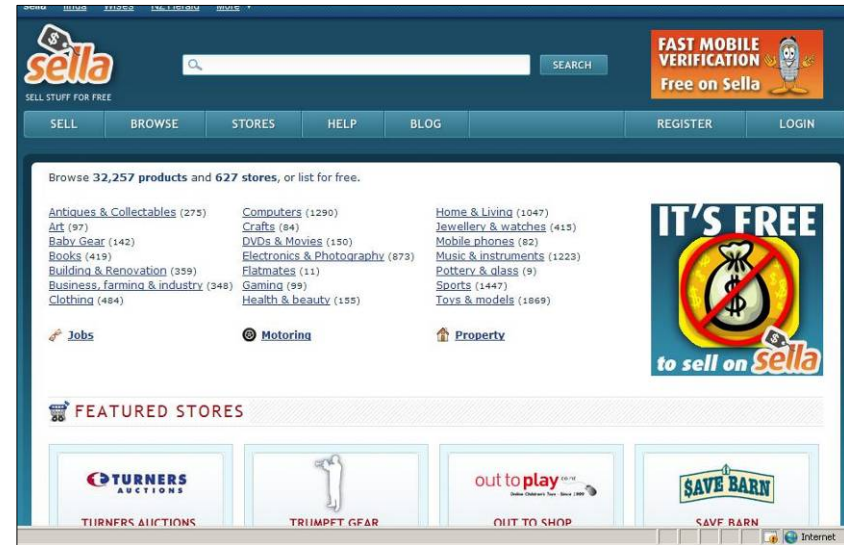
# New Zealand – Online



- Leading news website in New Zealand
- Record traffic:
  - 730k+ unique browsers per week
  - 11.8m+ page impressions
- Traffic drawn by new video and photo galleries, enhanced content distribution and release of mobile versions

# New Zealand – Online developments

- Free listing model gaining significant market share in overseas markets
- Sella making strong inroads in NZ
  - 10,000 vehicles
  - 11,000 properties
- Platform flexible for further expansion



## RESONATOR GUITAR - ELECTRIC - DOBRO...

Closes: 10:34 am, Tuesday, 24 February 2009

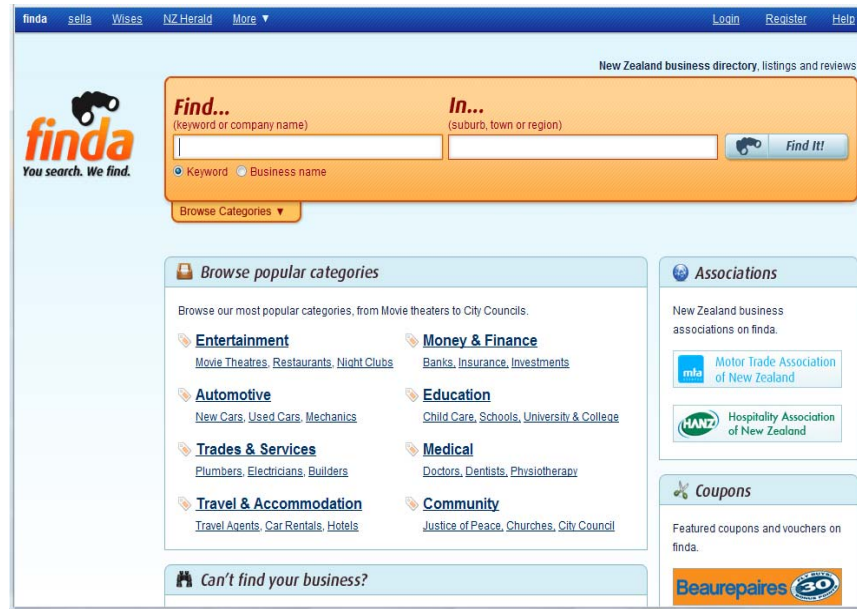
### GET BIDDING!

CURRENT BID No bids  No reserve

PLACE A BID \$ 399   Auto bid (?)  for \$ 399

A screenshot of a Sella auction listing for a resonator guitar. The listing is titled 'RESONATOR GUITAR - ELECTRIC - DOBRO...' and is from the seller 'LENKER Music'. The main image shows a resonator guitar. To the right of the main image are two smaller thumbnail images of the guitar. Below the main image is a 'BUY NOW' button for \$399. On the right side of the listing, there are several utility links: 'Start watching', 'Print listing', 'Email to a friend', 'List a similar item', and 'Report listing'. Below these links is a section for 'THE SELLER' which includes the seller's name 'Lenker Music (1)', their member status 'Member since: July 2008', their location 'Location: Auckland North Shore City', and links to their 'Lenker Music finds listing' and 'Website'.

# New Zealand – Sale of finda.co.nz



- finda.co.nz was profitably sold to New Zealand Yellow™ Pages business, Yellow
- Different model to finda Australia; UBD-style directory

# Asia

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# Asia – Hong Kong

- Solus transit operator in Hong Kong
- Transit clients typically take longer-term contracts
- Continued revenue growth in transit and supersite formats
- Some benefit from 2008 Beijing Olympics



# Asia – Indonesia and Malaysia



- Leading premium billboard operators
- Strong long-term client base
- Solid market revenues in reasonable economic climate

# Summary

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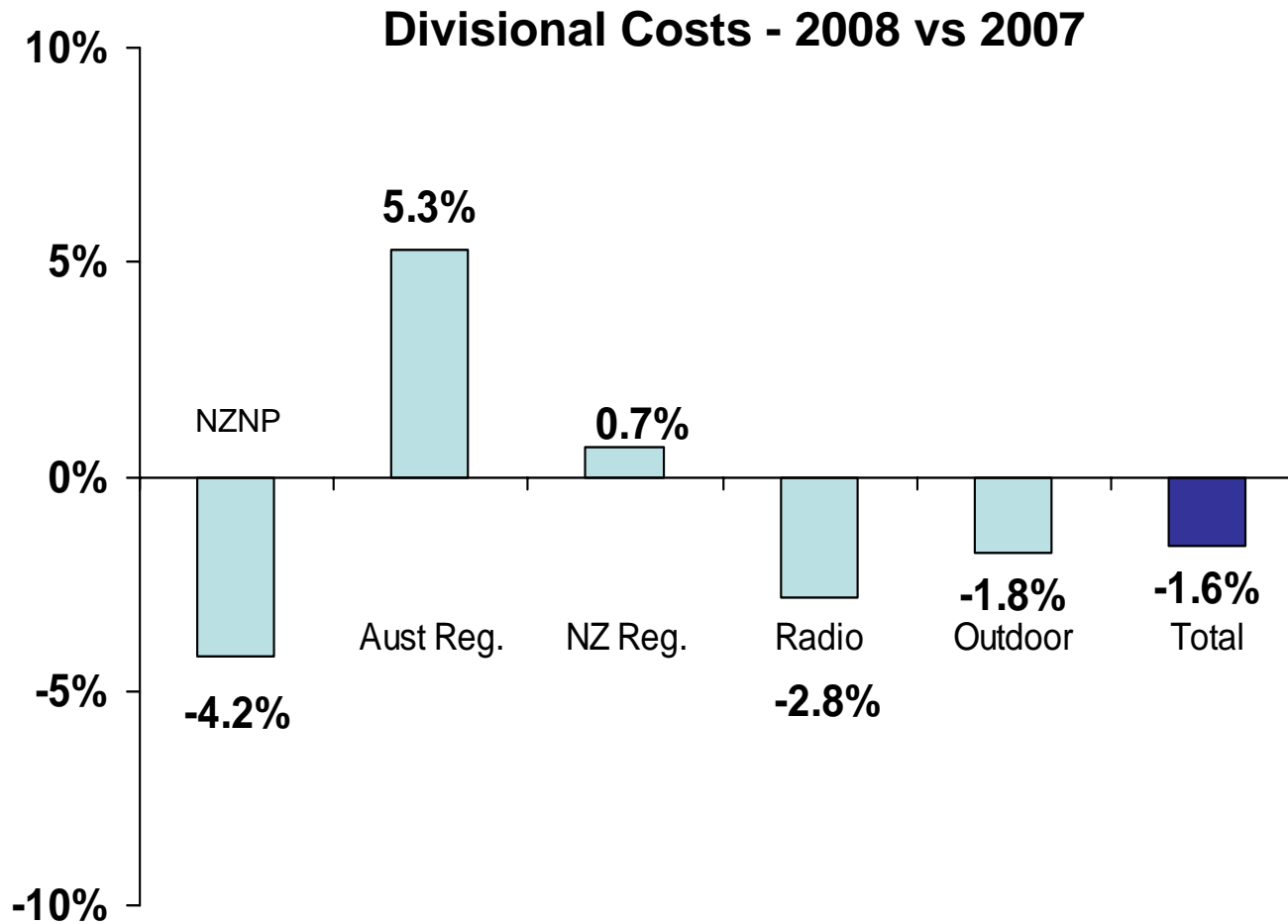
- A satisfactory outcome to a challenging year
- Restructuring programmes begun in 2005 have lowered cost base and improved leverage
- All material capital expenditure programmes finalised
- Multiple and diverse revenue sources with strong cash flows
- Portfolio of leading media assets in local markets
- March bookings positive

# 2008 Underlying Result

	Statutory		Impairment & other exceptional items		Underlying	
	2008	2007	2008	2007	2008	2007
(AUD millions)						
EBITDA	<b>127.3</b>	352.5	<b>192.2</b>	8.5	<b>319.5</b>	361.0
D&A	<b>(41.0)</b>	(37.3)			<b>(41.0)</b>	(37.3)
EBIT	<b>86.3</b>	315.2	<b>192.2</b>	8.5	<b>278.5</b>	323.7
Net finance costs	<b>(75.5)</b>	(63.4)			<b>(75.5)</b>	(63.4)
Profit before income tax expense	<b>10.8</b>	251.7	<b>192.2</b>	8.5	<b>203.0</b>	260.3
Income tax expense	<b>(5.0)</b>	(45.7)	<b>(27.8)</b>	(8.3)	<b>(32.8)</b>	(54.0)
Profit after income tax expense	<b>5.8</b>	206.0	<b>164.4</b>	0.2	<b>170.2</b>	206.3
Net profit attributable to OEI	<b>(29.8)</b>	(38.6)	<b>(0.3)</b>	1.7	<b>(30.1)</b>	(36.8)
Net profit after tax	<b>(24.0)</b>	167.4	<b>164.1</b>	2.0	<b>140.1</b>	169.4



# Divisional YoY cost analysis



Note: Constant currency basis - excludes exceptionals

# 2008 Cash Flow

AUD millions	FY 08	FY 07
Gross operating cash flow exc. exceptionals	322.3	320.3
Payments related to exceptionals	(37.3)	(27.2)
Net interest paid	(80.4)	(65.8)
Net tax paid	(30.7)	(15.9)
Capital expenditure/investment	(81.1)	(175.3)
Asset sales	20.9	29.8
Dividends – APN shareholders	(151.8)	(152.2)
Minority interests	(36.4)	(37.2)
Share buy-back	-	(58.5)
Share issues & other	(1.6)	7.3
<b>Total cash outlayed</b>	<b>(76.1)</b>	<b>(174.7)</b>

# Strong cashflow generation

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AUD millions	<b>FY 08</b>	FY 07
EBITDA (pre exceptionals)	<b>319.5</b>	361.0
Operating cash flow (pre exceptionals)	<b>322.3</b>	320.3
% of EBITDA	<b>101%</b>	89%
Adjusted for Adshel	<b>103%</b>	91%

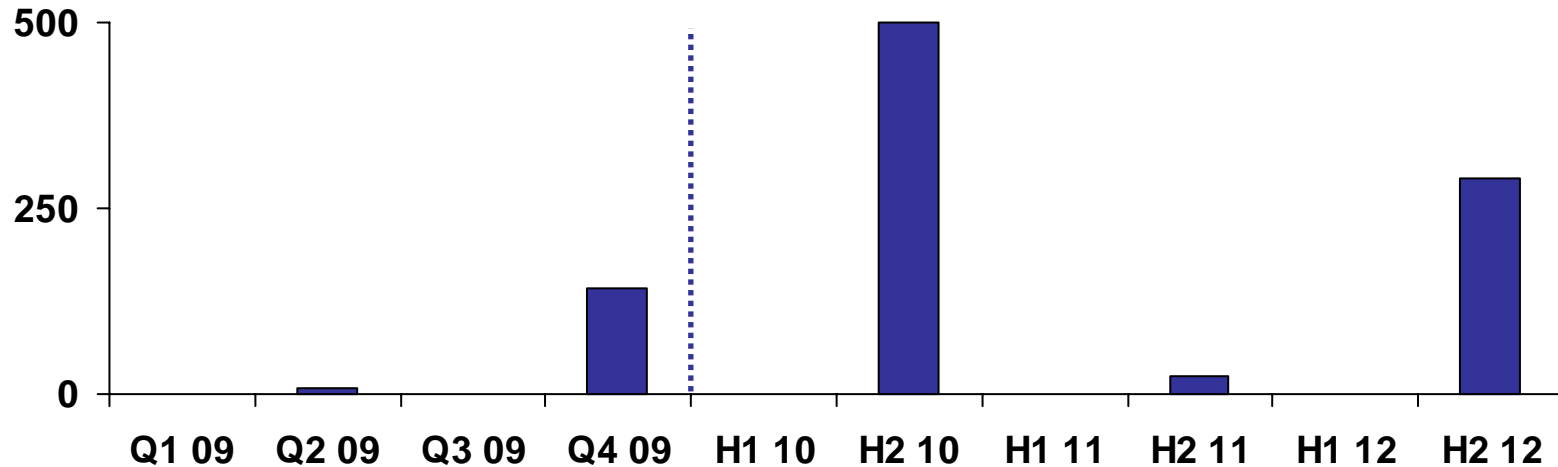
# Debt

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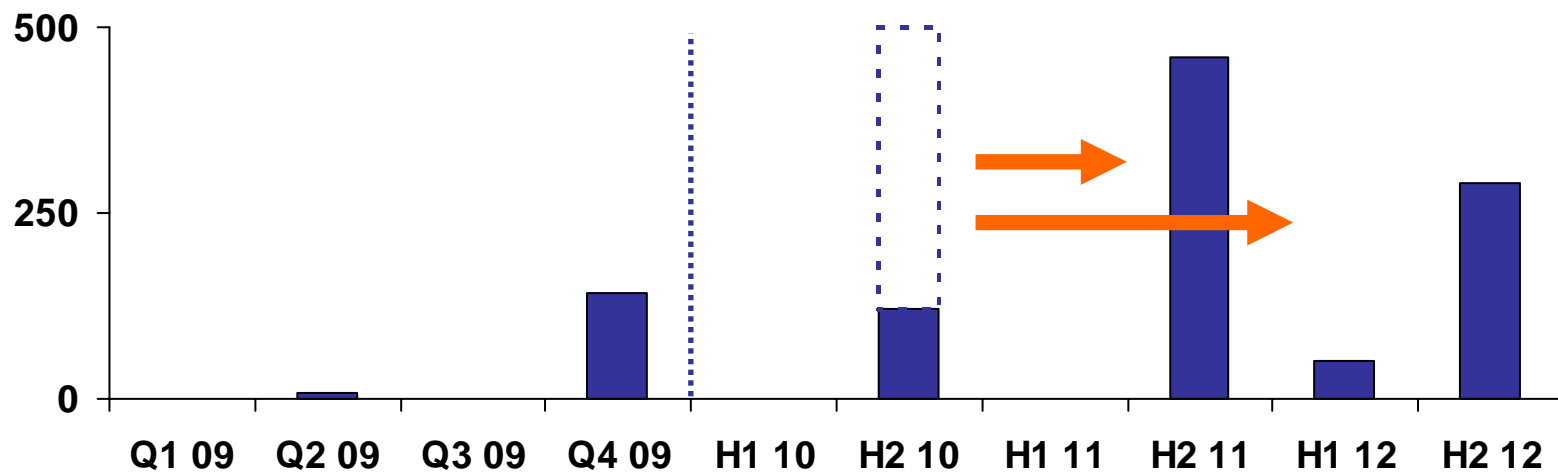
AUD millions	<b>2008 Senior Debt</b>	2007 Senior Debt
Core debt	<b>963</b>	858
Masthead licensing – AUD equiv	-	78
Cash	<b>(59)</b>	(89)
<b>Net Debt</b>	<b>904</b>	847

# Debt maturity profile

## Debt maturities: June 08



## Debt maturities: Feb 09



# Exceptional items (including impairment)

AUD millions	FY 08
Gains	10.7
Restructuring costs	(34.0)
Online establishment & restructuring costs	(6.4)
Onerous contracts/impairment	(162.5)
<b>Net exceptional items (pre tax)</b>	<b>(192.2)</b>
Minority interest	0.3
Income tax credit	27.8
<b>Net exceptional items (post tax)</b>	<b>(164.1)</b>
<b>Impairment schedule</b>	
NZ National Publishing – impairment	(127.0)
NZ Commercial Printing – impairment/onerous contracts	(27.7)
Investment – impairment	(7.8)
	(162.5)
Income tax credit	15.7
<b>Impairment charge after tax</b>	<b>(146.8)</b>

# Currency and Tax

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	AUD/NZD		AUD/HKD	
<b>Exchange rates</b>	<b>2008</b>	2007	<b>2008</b>	2007
June half average	<b>1.179</b>	1.125	<b>7.206</b>	6.320
Full year average	<b>1.192</b>	1.139	<b>6.633</b>	6.547
Period end rate	<b>1.195</b>	1.141	<b>5.357</b>	6.829

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Average tax rate (pre exceptionals)	2008	Full Year	16.2%
	2007	Full Year	20.7%

- Audit of mastheads ongoing
- Indemnity regarding mastheads in place as detailed in Explanatory Memorandum

# Dividends

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- Final dividend 12 cents per share
- Full year dividend 22.5c vs. 31.5c in pcp
- Unfranked - no NZ imputation
- Dividend payment date 23 April 2009; record date 24 March 2009



# 2008 Key Outcomes

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- Tough market conditions for entire media industry, particularly in Q4
- Costs down YoY through early start to restructuring; improved leverage
- Capital-intensive cost programme finalised
- Revenue challenge is cyclical; classified exposure minimal
- \$146.8m non-cash impairment charge relates to 2001 NZ acquisition; remaining asset valuations conservative
- Debt levels satisfactory; less than 25% matures inside two years
- Forward bookings provide some confidence

# Outlook

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The Directors note that it is extremely difficult to forecast against the background of world market conditions but wish to provide investors with the Company's current expectations for the year.

For 2009 we expect NPAT to be in line with market consensus of \$120 million, with almost all of the shortfall against the 2008 year occurring in the first half.



# 2008 Full Year Result

25 February, 2009

Chief Executive Brendan Hopkins  
Chief Financial Officer Peter Myers