



27 February 2014

Dear Shareholder,

Accelerated Non-Renounceable Entitlement Offer – Notification to Ineligible Retail Shareholders

On 19 February 2014, APN News & Media Limited ACN 008 637 643 (**APN**) announced that it was conducting a pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of approximately \$132 million in new ordinary shares in APN (**New Shares**) on a 5 for 9 basis to eligible shareholders.

The Entitlement Offer is being made without a prospectus or product disclosure document in accordance with section 708AA of the Corporations Act 2001 (Cth) (the **Corporations Act**) as modified by Australian Securities and Investments Commission Class Order [CO 08/35].

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Entitlement Offer is fully underwritten by CBA Equities Limited.

An offer booklet in relation to the Retail Entitlement Offer was lodged with the ASX and NZX on 27 February 2014 and is being mailed to eligible retail shareholders.

This is a letter to inform you that you are not an Eligible Retail Shareholder (as defined below) for the purposes of the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those persons who:

- a) are registered as a holder of fully paid ordinary shares in APN as at 7.00pm (Sydney time) 24 February 2014;
- b) have a registered address on the APN share register in Australia, New Zealand or Ireland;
- c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding shares for the account or benefit of such person in the United States);
- d) did not receive an offer to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

APN has determined, pursuant to section 9A of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries outside Australia, New Zealand or Ireland in connection with the Retail Entitlement Offer. The

securities laws of many countries require the use of offer documents specific to that country or compliance with local laws for the Retail Entitlement Offer to be made in those countries. Having regard to the number of shareholders in particular countries and the cost of compliance with local laws to make the Retail Entitlement Offer in those countries, APN has limited the countries in which the Retail Entitlement Offer will be made.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), APN wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer or be able to subscribe for New Shares under the Retail Entitlement Offer.

Notwithstanding the above, APN may agree to extend the Retail Entitlement Offer to certain institutional shareholders who did not participate in the Institutional Entitlement Offer or to other retail shareholders, subject to compliance with applicable laws.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible to participate in the Retail Entitlement Offer.

If you have any questions in relation to any of the above matters, please contact the APN Offer Information Line on 1300 365 969 (within Australia), 0800 767 556 (within New Zealand) or +61 1300 365 969 (outside of Australia and New Zealand) between 7:30am and 5:30pm (Sydney time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of APN, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Yvette Lamont', written in a cursive style.

Yvette Lamont

Company Secretary
APN New & Media Limited