



# SHAREHOLDER REVIEW 2013

APN NEWS & MEDIA LIMITED  
ABN 95 008 637 643

# THIS APN

# THIS APN

Through our extensive publishing, radio, outdoor and digital assets, APN is one of the most influential news and media organisations in the trans-Tasman region.

## PUBLISHING



[nzherald.co.nz](http://nzherald.co.nz)

### Australian Regional Media

10

Australian Regional Media connects with over 1.3 million consumers, or 76% of people living within its publishing footprint, every week via print, desktop and mobile providing advertisers with highly-targeted multiplatform media solutions.

### New Zealand Media

12

New Zealand Media connects with over 2.1 million consumers every week via print, desktop and mobile. The New Zealand Herald is the country's leading newspaper with a brand audience of over 1.4 million people.

By developing close connections with consumers and their communities, APN understands what drives successful outcomes for our clients.

**RADIO**

**OUTDOOR**

**DIGITAL**



radionetwork®



GrabOne



Buspak



CODY



NewstalkZB®

**Radio**

14

Australian Radio Network broadcasts to over four million listeners each week, primarily through two metropolitan networks and two Sydney stations. The Radio Network operates seven core radio networks that broadcast to approximately 1.7 million listeners each week across New Zealand. iHeartRadio, the free digital radio platform launched by both businesses in August 2013, has already secured more than 300,000 registered users across Australia and New Zealand.

**Outdoor**

16

Adshel traditionally operates in the street furniture segment, with over 16,000 advertising faces across Australia and New Zealand. In Hong Kong, Cody has more than 160 premium billboards while Buspak provides exterior and multimedia in-bus advertising, as well as on-board TV.

**Digital**

18

GrabOne is the leading group buying business in New Zealand, offering discounted daily deals from more than 12,000 merchants to its user base of 1.25 million people. iNC Digital Media provides performance-enhancing digital media services for Australian companies in all advertising sectors.

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## ABOUT APN

# APN provides progressive, tailored media solutions through trusted business partnerships.

### APN today

Across Australia and New Zealand, APN reaches a news audience of more than 3.4 million people and broadcasts to almost six million radio listeners every week. We also reach millions of daily commuters through our extensive network of outdoor advertising faces in major metropolitan areas.

APN has a strong digital capability, principally through news websites such as nzherald.co.nz; the digital radio platform iHeartRadio; our expanding digital outdoor infrastructure; and the GrabOne and iNC Digital Media businesses.

By developing close connections with consumers and their communities, APN understands what drives successful outcomes for our clients. We combine this knowledge with considerable media expertise to create tailored solutions that enhance their brand and business proposition.

APN takes pride in building trusted relationships with organisations to partner with them in their long term success. This collaborative culture is fostered across the Group and is the foundation for APN's future growth.

### APN re-set

Since the beginning of 2013, APN has undertaken a number of transactions in line with our strategy to wholly own growth businesses. These include:

- the sale of several New Zealand newspaper and magazine titles;
- the sale of our remaining interest in the APN Outdoor joint venture;
- the sale of e-commerce business brandsExclusive;
- the acquisition of the remaining interest in iNC Digital Media that we did not own; and
- the acquisition of the remaining 50% interest in our Australian Radio Network and The Radio Network joint ventures.

As a result, APN now has full ownership of six out of our eight businesses. The remaining two businesses, Adshel and Hong Kong Outdoor, continue to be operated as joint ventures with Clear Channel, our partner of 15 years, which has extensive outdoor assets around the world.

This stronger ownership structure allows APN to gain greater benefit from the ongoing success of our businesses. It also means APN can now pursue new growth opportunities through our businesses working more closely together.

“

**The progress that we have made to date is encouraging and we now have a more focused, unified base on which to build.”**

#### Michael Miller

Chief Executive Officer  
APN Full year results,  
19 February 2014

## RESULTS HIGHLIGHTS

➔ \$63m of net cash inflows, ahead of target ➔ More than \$40m of publishing cost savings, ahead of target ➔ Strong radio market share gains and earnings growth ➔ Record result for Adshel

Statutory net profit after tax

**\$2.6m**



8%

**EBITDA\***

**\$162.8m**

Best growth rate since 2005



10%

**NPAT\*\***

**\$59.5m**

Best growth rate since 2007

\* From continuing operations and before exceptional items

\*\* Before exceptional items

# CHAIRMAN'S REPORT

**I am pleased to report that considerable changes have been made to APN, which have already contributed to improved results.**

The first step was to bring in the right people. APN's new Chief Executive Officer, Michael Miller, was appointed in June 2013. His broad media experience in senior hands-on operational roles is precisely what the Company required.

Michael has already demonstrated his ability to execute on our strategy to wholly own growth assets and the management team has made significant progress in several key areas under his leadership. As a result, I believe you will find APN to be a much easier business to understand.

## I believe you will find APN to be a much easier business to understand.

**Peter Cosgrove**  
Chairman  
20 March 2014



### Radio acquisition

The most important change was acquiring full ownership of the Company's Australian and New Zealand radio businesses.

While publishing remains a core division, the acquisition of Australian Radio Network and The Radio Network means that APN is now a more significant player in radio. Taking full ownership allows us to develop and grow a successful media asset that has longevity and a strong business case in the digital media world. The acquisition was funded by a 5 for 9 pro rata accelerated non-renounceable entitlement offer to raise approximately \$132 million, together with the proceeds from the sale of our remaining interest in APN Outdoor and debt funded from existing facilities. We would like to thank you, our shareholders, for your support of the entitlement offer, which has now closed.

### Publishing

APN's publishing businesses will continue to play an important role within the Group. However, there is no question that they face many challenges. We will continue to protect and extend the life of our newspapers and explore all options with other industry participants to share printing, distribution and marketing initiatives.

### Result and dividend

APN delivered a pleasing result for 2013 despite the uncertain trading environment, with NPAT before exceptional items of \$59.5m. This is an increase of 10% on the prior year and our best growth rate in this regard since 2007.

The Board decided not to pay a final dividend for the 2013 financial year, consistent with its focus on strengthening the Company's balance sheet. Our short term focus is on capital growth.

### Highly skilled, agile Board

The Board made two new appointments during 2013. Anne Templeman-Jones joined the Board as a non-executive Director in June. Anne has a wealth of experience in the areas of finance, strategy, risk and governance and now chairs our Audit Committee. Peter Cullinane joined the Board in November. Peter is based in New Zealand and has an extensive background in marketing and advertising. Their addition to the Board has considerably strengthened its diverse range of skills and experience, which are relevant to all APN's businesses and markets.

The renewed Board is small but highly engaged and therefore able to make quick, informed decisions. The views of the Board and management team are firmly aligned and no further appointments are currently being considered.

A review of the Company's internal risk management and governance framework is currently underway to ensure we deliver value for APN shareholders. APN now has greater clarity in its strategy and a management team capable of delivering against it. The Board has every confidence in APN's future prospects.

I would like to thank all Company employees for their patience and contribution during a period of rapid change. In particular, I would like to thank Deputy Chairman Ted Harris and Chief Financial Officer Jeff Howard for their assistance in leading the Company through an unsettling transition period in the first half of 2013.

I would also like to thank you, our shareholders, for your ongoing support. I look forward to updating you further at the Company's Annual General Meeting on 8 May 2014.

“

Peter Cosgrove  
Chairman

**APN now has greater clarity in its strategy and a management team capable of delivering against it. The Board has every confidence in APN's future prospects.**

# CHIEF EXECUTIVE OFFICER'S REPORT



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**Michael Miller**  
Chief Executive Officer

**APN has a bold, pioneering culture that forms the basis of how our businesses connect with consumers and each other every day.**



### The APN of today is very different to the one of a year ago.

At the start of 2013, seven of our then 10 businesses were part owned or operated as joint ventures. Today, we wholly own six out of eight businesses.

Over the last 12 months, we have sold our remaining interest in APN Outdoor, e-commerce business brands Exclusive and several New Zealand newspaper and magazine titles. We also acquired the remaining 50% interest in Australian Radio Network (ARN) and The Radio Network (TRN) and the remaining interest in iNC Digital Media that we did not own.

Radio is a key strategic asset for APN. We have further invested in ARN and TRN because we believe that radio will continue to grow as a medium and that ARN and TRN will continue to grow market share. We also now have greater flexibility to pursue new revenue generating opportunities through collaboration with our other media businesses.

## Our focus is on building long-term, trusted partnerships with our clients that deliver results and value from their investment.

**Michael Miller**  
Chief Executive Officer  
20 March 2014



Our publishing assets remain an important part of APN's offering — there is still a large demand for newspapers. We are adapting to the changes in consumer behaviour and advertising behaviour in order to develop new revenue opportunities to ensure that this demand continues for both the metropolitan and regional newspaper categories.

### Return to growth

For the 2013 financial year, EBITDA from continuing operations and before exceptional items was \$163 million, up 8% on the prior year on revenues of more than \$817 million. This result was due to strong earnings growth in our radio businesses as they grew market share; a record result for Adshel; a better second half in our publishing businesses, which exceeded their cost saving targets; and the effect of asset disposals.

The focus on generating cash resulted in a further reduction in debt during 2013. Cash inflows for the year were \$63 million, considerably ahead of our \$40 million to \$50 million target. Overall net debt as at 31 December 2013 was \$437 million.

### Working together

Most of APN's businesses outperformed their markets in 2013. Given that they each talk to the same advertisers and agencies and engage with the same audiences, we see real opportunities for closer collaboration across our businesses to present a more complete and efficient media offering. iNC Digital Media is a good example of where we see such opportunities through the provision of a more effective integrated digital proposition to advertisers.

This collaborative approach represents how APN has evolved over the last 12 months. APN has a bold, pioneering culture that forms the basis of how our businesses connect with consumers and each other every day.

Our focus is on building long-term, trusted partnerships with our clients that deliver results and value from their investment. We will continue to achieve this by creating bespoke strategies and content that drive measurable demand for their products and services.

Central to this is APN's digital offering, which is embedded across all our businesses. The addition of our free digital radio platform, iHeartRadio, in Australia and New Zealand is an exciting new component of this offering and is indicative of where our ambitions lie.

I would like to thank all APN employees for their hard work and dedication over the past year. As a result of their collective efforts, APN is well set for further improvement.

### Outlook

The progress that we have made to date is encouraging and we have a more focused, stronger base to build on. We are now looking to grow revenues across our divisions and to improve the balance sheet.

I am very optimistic about the future of APN and look forward to delivering further value for APN shareholders over time.

# OPERATING AND FINANCIAL REVIEW



Summary Financial Performance	SEGMENT RESULT		EXCEPTIONAL ITEMS <sup>4</sup>		STATUTORY RESULT	
	2013	2012	2013	2012 <sup>3</sup>	2013	2012 <sup>3</sup>
<b>AUD million</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012<sup>3</sup></b>	<b>2013</b>	<b>2012<sup>3</sup></b>
Revenue before finance income	817.2	823.0	-	-	817.2	823.0
Other income	6.6	2.4	9.0	3.9	15.6	6.3
Share of associate profits	10.6	9.0	-	-	10.6	9.0
Costs	(671.6)	(683.0)	(25.2)	(711.0)	(696.7)	(1,394.0)
EBITDA <sup>1</sup>	162.8	151.4	(16.1)	(707.1)	146.7	(555.7)
Depreciation and amortisation	(33.0)	(30.7)	-	-	(33.0)	(30.7)
EBIT	129.8	120.7	(16.1)	(707.1)	113.7	(586.5)
Net interest	(37.9)	(43.5)	-	-	(37.9)	(43.5)
Tax	(6.0)	(3.7)	6.7	70.4	0.8	66.7
Profit/(loss) from continuing operations	85.9	73.5	(9.4)	(636.7)	76.5	(563.3)
Profit/(loss) from discontinued operations <sup>2</sup>	(0.7)	4.8	(48.1)	75.0	(48.8)	79.7
Net profit/(loss) after tax	85.2	78.2	(57.6)	(561.8)	27.7	(483.5)
Profit/(loss) attributable to APN shareholders	59.5	54.3	(56.9)	(561.7)	2.6	(507.4)
Non-controlling interest	25.7	23.9	(0.6)	(0.1)	25.1	23.8
	85.2	78.2	(57.6)	(561.8)	27.7	(483.5)

(1) Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations and before exceptional items, represents the Group's total segment result.

(2) APN Outdoor and brandsExclusive have been treated as discontinued operations.

(3) 2012 exceptional items and statutory net loss restated for error in relation to impairment charge.

(4) Refer to note 5 to the financial statements for further details in relation to exceptional items.

This Operating and Financial Review should be read in conjunction with the Chairman's Report and the Chief Executive Officer's Report.

### Performance overview

APN News & Media Limited's (APN) statutory profit attributable to shareholders for the year was \$2.6 million compared to a loss of \$507.4 million in 2012. The profit attributable to shareholders before exceptional items was \$59.5 million, up 10% on the prior corresponding period. Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations and before exceptional items was up 8% to \$162.8 million, with revenue from continuing operations down \$5.8 million to \$817.2 million. brandsExclusive and APN Outdoor have been treated as discontinued operations in the 2013 results and both businesses have been sold since the end of the financial year.

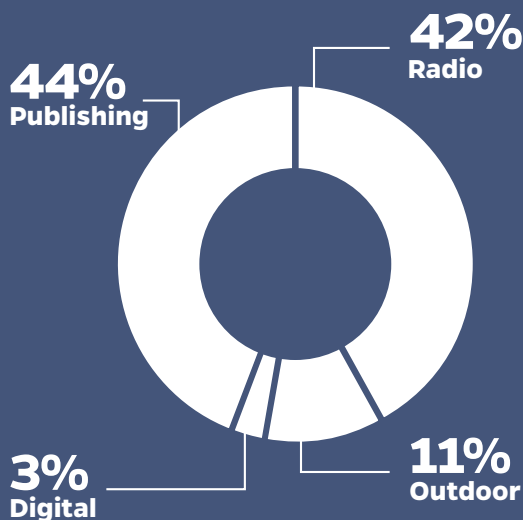
The results for the year reflect the improved performances from a number of our divisions. Highlights include the strong earnings growth in both of our radio businesses, as they increased market share; a record result for Adshel, which delivered double digit EBITDA growth for a second year running; and an improved second half performance from our publishing businesses as cost saving benefits increased. APN's publishing cost savings across both our Australian and New Zealand businesses were in excess of \$40 million, considerably ahead of our \$25 million to \$35 million target.

The table on page 8 reconciles the Group's segment result before exceptional items to the statutory result. The exceptional items include a mix of one off gains and non recurring costs arising during the year. The majority of the costs relate to the ongoing restructuring of our publishing businesses. Further details are included in note 5 to the financial statements. The exceptional loss in relation to discontinued operations relates to write downs of those businesses to fair value less costs to sell at 31 December 2013. A review of each of the businesses is outlined in the following pages.

### Positioned for growth

In light of the recent transactional activity already outlined on page 2, APN has made considerable progress in its efforts to streamline operations and position the Company for future growth. The Company is now re-balanced towards growth assets, with over 55% of EBITDA derived from radio, outdoor and digital businesses, helping to place it in a far better competitive position.

### Proportional EBITDA post radio acquisition



Based on FY2013 EBITDA (from continuing operations, excluding corporate costs)

### Balance sheet and cash flow

The Group has net assets at 31 December 2013 of \$611 million, which includes \$437 million in net debt. A significant proportion of the Group's assets are in New Zealand and the appreciation of the New Zealand dollar during the year has had a significant impact on the balance sheet position compared to the prior year end.

The Group's ongoing focus on cash generation resulted in \$63 million in net cash inflows for debt reduction during the year, including \$9 million from small asset and property sales. This cash inflow was considerably ahead of the \$40 million to \$50 million target set at the beginning of the year. The Group reduced reported net debt by \$28 million representing the \$63 million of cash generated offset by the impact of the stronger New Zealand dollar and some small non cash items. Net debt to reported EBITDA has improved from over 3 times, twelve months ago to 2.7 times at 31 December 2013.

The Company remains committed to improving its balance sheet flexibility so that it has the option to invest for growth, pay down debt or resume future dividend payments. The recent acquisition of the remaining interest in Australian Radio Network and The Radio Network also gives APN greater control of cash flows, which will be used to strengthen the Company's balance sheet.

# Australian Regional Media

**With 12 daily newspapers, 58 non-daily newspapers and 35 web and mobile sites, Australian Regional Media's publishing footprint spans from Coffs Harbour to Mackay on the east coast of Australia.**

## Business overview

Australian Regional Media (ARM) connects with over 1.3 million consumers, or 76% of people living within its publishing footprint, every week via print, desktop and mobile providing advertisers with highly-targeted multiplatform media solutions. Central to this connection is the creation and delivery of the most relevant and engaging local content to inform and entertain the readers of its publications.

ARM also operates APN Educational Media, a niche publisher that services the education and health care sectors, as well as four printing sites in Queensland.

## Acceptable results in a challenging environment

AUD million	2013	Change (%)
Revenue	217.0	(13%)
Costs	(187.3)	(11%)
<b>Segment EBITDA</b>	<b>29.7</b>	<b>(23%)</b>

Moderations in revenue conditions coupled with the benefits of implemented cost saving projects in the second half contributed to a better than expected full year result. Revenue was down 13% to \$217.0 million, with national retail conditions particularly challenging. EBITDA was down 23% to \$29.7 million. EBITDA in the second half was down only 2% compared to that for the prior corresponding period.

ARM outperformed the Australian regional newspaper market in both national revenue share and circulation results. Based on circulation, ARM has seven of the top nine performing regional dailies in Australia, with The Gympie Times at the top of the list.

ARM achieved in excess of \$20 million in cost savings in 2013, which was ahead of target, through initiatives including the rationalisation and outsourcing of support functions, centralising aspects of sales functions and continued print plant optimisation with the closure of its Ballina printing site in August 2013.

## Not just a focus on costs

In November 2013, ARM implemented modular advertising across its print newspaper portfolio, reducing the number of standard ad shapes from over 270 to 18. The move to modular makes planning a campaign with ARM simpler and more efficient.

ARM continued its focus on increasing its digital network offering throughout 2013. This resulted in the doubling of ARM's online audience across both mobile and web platforms to over 1.7 million and 1.1 million unique visitors respectively. ARM also launched a new classifieds suite, as well as a bundled print and digital sales strategy, to leverage larger audience numbers.


## 2014 and beyond

ARM's objective is to be the local media outlet of choice in each of its markets. Cost savings and improving operating efficiencies will remain a priority, with specific areas of review including non-performing publications and office consolidation. Enhancing its hyper-local relationship with its audiences and expanding opportunities on a range of media platforms are key steps in further strengthening ARM's engagement with readers, as well as its relevance for advertisers.

SUNSHINE COAST DAILY  
17.10.13  
Swisse Colour Run at Stockland Park, Kawana: Finish Festival.  
Photo: Brett Wortman



**ARM connects with over 1.3 MILLION consumers every week**



**Cost savings**

ARM achieved in excess of \$20 million in cost savings in 2013.

**Circulation**

ARM has seven of the top nine performing regional dailies in Australia.

# New Zealand Media

## Business overview

New Zealand Media (NZM) connects with over 2.1 million consumers every week via print, desktop and mobile. The New Zealand Herald's brand audience continues to grow and now reaches over 1.4 million people. NZM's publications are also consistently recognised as the best in the country, winning 'Newspaper of the Year' at the Canon Media Awards for the past six years.

Following completion of the sale of NZM's wholly owned magazine titles to Bauer Media in February 2014, NZM continues to operate three magazines under licence from Pacific Magazines, being New Idea, Girlfriend and That's Life. NZM also owns and operates one printing site in Ellerslie.

## Earnings growth despite continued revenue decline

AUD million	2013	Change (% local currency)
Revenue	282.6	(9%)
Costs	(229.5)	(12%)
<b>Segment EBITDA</b>	<b>53.0</b>	<b>2%</b>

After a solid finish to 2013, NZM delivered EBITDA growth for the year of 2% to \$53.0 million on a local currency basis. This is a result that few major publishing companies worldwide have been able to achieve. Revenue was \$282.6 million, down 7% (after adjusting for the impact of the sale of the South Island and Wellington newspaper titles in the first half of 2013) on a local currency basis. The challenging national advertising market was a significant reason for the revenue decline.

NZM commenced the development of its integrated sales approach with TRN and Adshel in New Zealand. NZM's new Group Advertising Director, David Hoath, was appointed in November 2013 and will continue to drive this key initiative across the businesses.

**As New Zealand's leading publisher, New Zealand Media's portfolio includes the country's flagship newspaper, The New Zealand Herald, along with six other daily newspapers, 25 non-daily newspapers and 15 web and mobile sites.**

Cost saving initiatives introduced during the year including outsourced printing, a franchised newspaper delivery network, centralised sales functions and offshore advertising production helped NZM achieve improved levels of efficiency. This resulted in cost savings of more than \$20 million during 2013. As with ARM, this was ahead of target for the year.

## Celebrating 150 years

In November 2013, The New Zealand Herald celebrated its 150th anniversary. This was an opportunity to reflect on The Herald's vibrant past and also look forward with confidence as it evolves in the changing media landscape.

The New Zealand Herald maintained its strong subscriber base of more than 60% of its total circulation, with audience growth being delivered through its digital platforms. Digital advertising revenues across NZM grew by 16% in 2013, with a strong uplift in mobile and video audiences.

## 2014 and beyond

NZM's objective is to be the number one content, entertainment and commercial influencer in New Zealand. In achieving this objective, NZM will look to partner with APN's other business divisions, such as developing new e-commerce transactional verticals in food, travel and fashion with GrabOne, as well as other media operators.

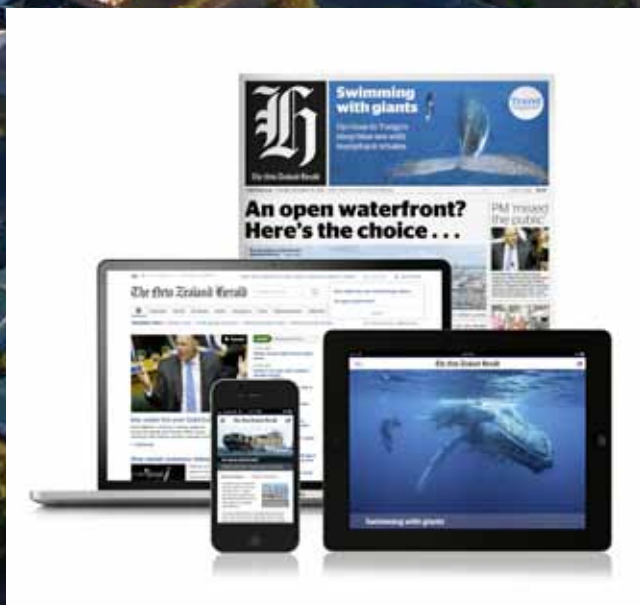
The launch of digital subscriptions for nzherald.co.nz is on track for the second half of 2014, with revenue benefits expected to flow through within the first two to three years.

THE NEW ZEALAND HERALD  
21.03.13

Balloons over Wairarapa mass  
ascension, Carterton.  
Photo: Mark Mitchell



NZM  
connects with over **2.1**  
**MILLION**  
consumers  
every week



# Radio

Following the acquisition of the remaining 50% interest in Australian Radio Network and The Radio Network from joint venture partner Clear Channel, APN is now the owner of the largest network of radio stations in the trans-Tasman region.



## Overview of businesses

Australian Radio Network (ARN) owns or has investments in 12 radio stations in Sydney, Melbourne, Brisbane, Adelaide, Canberra and Perth. It broadcasts to over four million listeners each week via brands including the Classic Hits and Mix networks; as well as Sydney stations KIIS 1065 and The Edge 96.1.

The Radio Network (TRN) operates seven core radio networks that broadcast to approximately 1.7 million listeners each week across New Zealand, being Newstalk ZB, Radio Sport, Coast, Classic Hits, ZM, Radio Hauraki and Flava.

## Outperforming their markets

In 2013, ARN continued to outperform the Australian radio market, with revenue growth of 6% to \$148.9 million, compared to overall radio market growth of 2%. EBITDA was up 14% to \$58.0 million. ARN is the only Australian network to record three consecutive years of 10+ ratings growth.

During the year, Mix was the number one station in both Adelaide and Brisbane and Classic Hits achieved number one station in Sydney and joint number one station in Melbourne.

In New Zealand, TRN delivered strong growth in revenues, up 9% to \$102.3 million on a local currency basis. This compared to overall radio market growth of 8%. EBITDA was \$20.0 million, up 22% on a local currency basis.

Newstalk ZB remains the number one 10+ radio and talk station nationally, with more than double the share of any other station in the 30+ breakfast

audience. Coast is the number one 10+ music station and Radio Sport the number one 10+ sport and number two 10+ talk station nationally.

## Australian Radio Network

AUD million	2013	Change (%)
Revenue	148.9	6%
Costs	(90.9)	2%
<b>Segment EBITDA</b>	<b>58.0</b>	<b>14%</b>

## The Radio Network

AUD million	2013	Change (% local currency)
Revenue	102.3	9%
Costs	(82.3)	6%
<b>Segment EBITDA</b>	<b>20.0</b>	<b>22%</b>

## New talent, refreshed brands and increased digital presence

In late 2013, ARN announced that new Sydney station KIIS 1065 would launch in January 2014 with Sydney's number one FM breakfast team, Kyle Sandilands and Jackie O (Henderson). Their addition to ARN's consistently performing on-air teams, including Jonesy & Amanda in Sydney, Chrissie & Jane in Melbourne and Robin, Terry & Bob in Brisbane, demonstrates how central key talent is to ARN's operations and ambitions.

ARN continued to develop its digital offering throughout 2013, resulting in an 111% increase in digital page views compared to those for 2012 and the doubling of its Facebook audience. ARN's digital presence was also significantly bolstered





## iHeartRadio

Since its launch in August 2013, digital radio platform iHeartRadio has secured more than 300,000 registered users.

## Audience

ARN and TRN broadcast to over 5.7 million listeners across Australia and New Zealand each week.

WANT SOME  
**FREE MUSIC?**

Sign up to iHeartRadio today and enjoy 16 million songs, 400,000 artists and over 1,000 stations.

NO LIMITS  
NO SUBSCRIPTIONS  
FREE THE MUSIC  
SHARE THE LOVE

**iHeart  
RADIO**

WWW.IHEARTRADIO.CO.NZ

GET IT ON  
App Store

GET IT ON  
Google play

f #HEARTRADIOZ @HEARTRADIOZ

by iHeartRadio, the free digital radio platform launched with TRN across Australia and New Zealand in August 2013, which has already secured more than 300,000 registered users.

TRN's focus was also on growing its digital presence, as well as its younger audience. Key highlights were securing leading talent including Carl Fletcher, Vaughan Smith and Rachel Smalley, the launch of new programming such as the 'Crowd Goes Wild' breakfast show on Radio Sport with Sky Television, refreshed brands including Radio Hauraki and the addition of iHeartRadio. This resulted in positive trends, including 42% growth in the 10+ audience for TRN's youth station Flava and overall digital revenue growth of 81%.

## 2014 and beyond

ARN's objective is to become the number one FM network across Australia. It is repositioning itself as an integrated entertainment business that delivers more innovative and creative content on air and online via social media and iHeartRadio. ARN will continue to build profitability by improving ratings across its network, with a particular focus on the key Sydney and Melbourne markets, and delivering more compelling propositions to advertisers.

TRN continues to launch new programming and will look to further leverage partnerships to grow its audience base and provide fully integrated media solutions to advertisers. It is also advanced in exploring opportunities for closer collaboration with APN's other New Zealand businesses to improve efficiencies and drive revenue growth.



Top of page: Sydney's number one breakfast team – Kyle Sandilands and Jackie O (Henderson) from KIIS 1065. Above: The breakfast team from Radio Hauraki – Matt Heath, Jeremy Wells and Laura McGoldrick.

# Outdoor

**APN's outdoor advertising operations offer a wide variety of formats across Australia, New Zealand and Hong Kong via the Adshel and Hong Kong Outdoor businesses.**

## Overview of businesses

Following the sale of APN's remaining interest in APN Outdoor in early 2014, Adshel is now APN's sole outdoor business in Australia and New Zealand. Adshel traditionally operates in the street furniture segment nationally in both markets. With over 16,000 advertising faces within transport shelters and railway networks, Adshel covers the seven major capital cities across Australia and New Zealand.

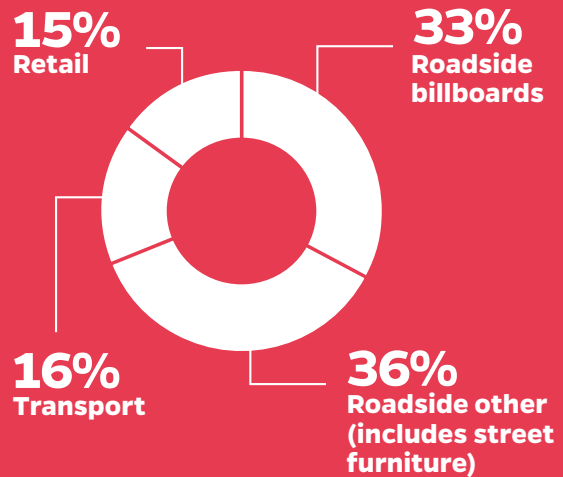
Hong Kong Outdoor comprises of Cody, which offers premium billboard advertising, and Buspak, which provides exterior and multimedia in-bus advertising via the Webus Wi-Fi network and the on-board TV platform BuzPlay.

## Record result for Adshel

Adshel delivered a record result for 2013, with EBITDA growth of 14% to \$40.2 million, further consolidating its strong performance in 2012. Revenues were up 5% to \$149.3 million; with Adshel's media revenue up 8% compared to 7% growth in the Australian outdoor market. The 'roadside other' category was up 9%, continuing the broader trend towards smaller formats. 'Roadside other' now comprises 36% of the total Australian outdoor market.

Revenue for Hong Kong Outdoor was up 5% to \$44.1 million on a local currency basis, with bus exterior revenue up by 11%. EBITDA of \$1.8 million was down 55% on a local currency basis. This EBITDA result was primarily due to the poor performance of the BuzPlay contract and the loss of a key billboard contract in 2012.

## Australian outdoor market composition 2013



Based on net revenue as reported by Outdoor Media Association, for the month ended 31 December 2013.

## Focus on innovative media assets

Adshel completed the insourcing of maintenance, posting and cleaning services across five major regions in Australia in the second half of the year. It also sold its two infrastructure businesses, Adshel Infrastructure and Town & Park, as part of the narrowing of its strategic focus on core advertising operations.

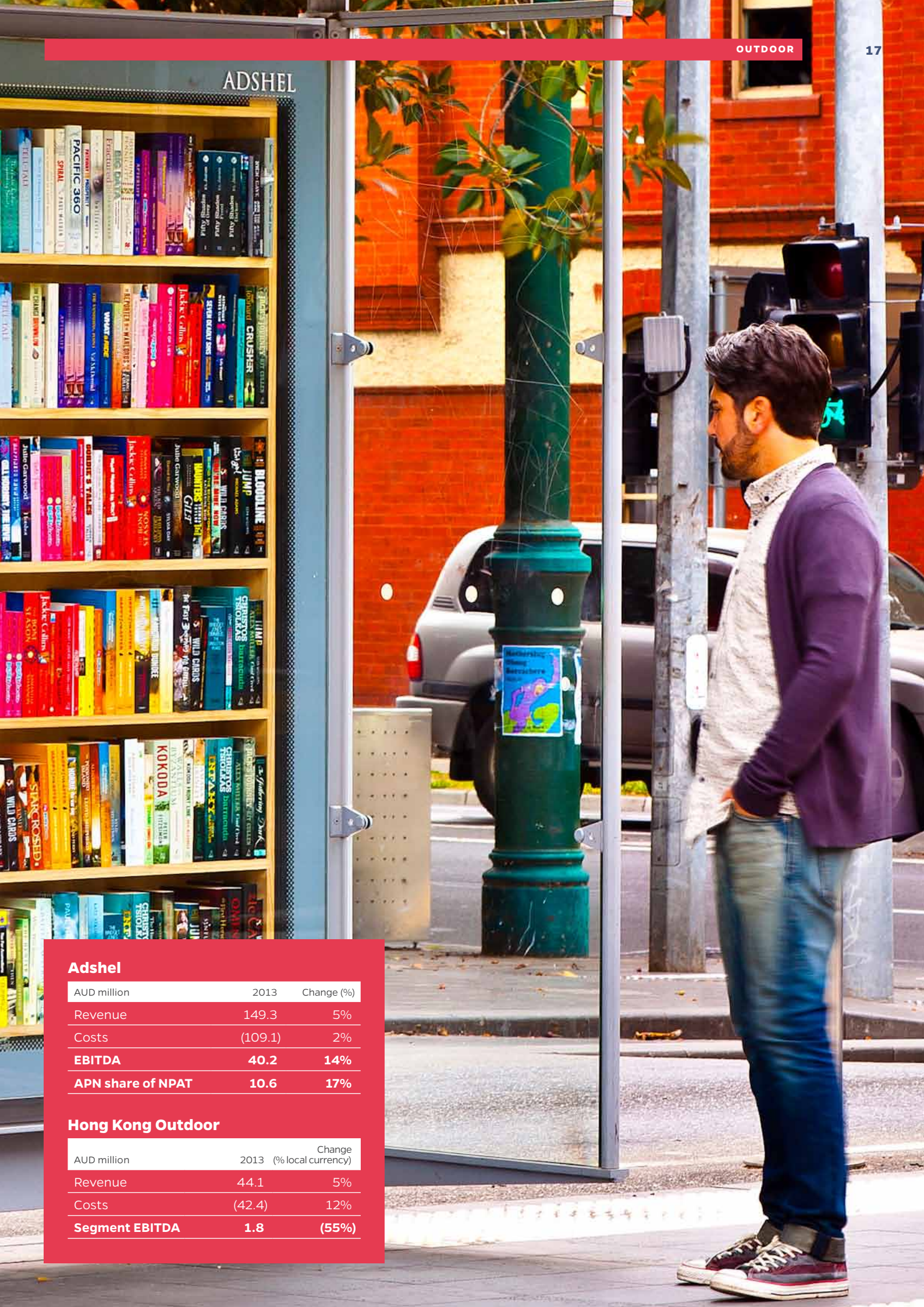
In December 2013, Adshel announced that it had won all of the precincts that it tendered for in the highly competitive Sydney Trains contract. This is a particularly significant win due to the scale of the required digital infrastructure roll-out, which will be the largest ever in the Sydney outdoor market.

In Hong Kong Outdoor, the BuzPlay contract review culminated in the renegotiation of its terms to improve future results and the launch of its signature buses offering, which has been well received by the advertising market.

## 2014 and beyond

The roll-out of the Sydney Trains digital assets is a key focus for Adshel in 2014, with full revenue benefits due to flow through from 2015 for the duration of the five year contract. Adshel is also focused on increasing its other digital revenues and will explore strategic opportunities to further expand its asset base.

After securing two significant billboard contracts at the beginning of 2014, Hong Kong Outdoor management are confident of an improved performance for the year.



**Adshel**

AUD million	2013	Change (%)
Revenue	149.3	5%
Costs	(109.1)	2%
<b>EBITDA</b>	<b>40.2</b>	<b>14%</b>
<b>APN share of NPAT</b>	<b>10.6</b>	<b>17%</b>

**Hong Kong Outdoor**

AUD million	2013	Change (% local currency)
Revenue	44.1	5%
Costs	(42.4)	12%
<b>Segment EBITDA</b>	<b>1.8</b>	<b>(55%)</b>

# Digital

Digital is an integral element of APN's publishing, radio and outdoor advertising operations.



New products now account for over 25% of iNC Digital Media's revenues.

## iNC Digital Media

AUD million	2013	Change (%)
Revenue	4.1	(22%)
Costs	(3.6)	(5%)
<b>Segment EBITDA</b>	<b>0.5</b>	<b>(66%)</b>

## Overview of businesses

GrabOne is the leading group buying business in New Zealand. It offers over 350 discounted deals per day from more than 12,000 merchants to its user base of 1.25 million people. GrabOne has maintained the 80% market share that it reached in the first half of 2013.

APN moved to 100% ownership of iNC Digital Media (iNC) in October 2013, following completion of a two year buyout plan. iNC specialises in driving online sales, email registrations, lead generation and in-store foot traffic for its clients, combined with providing actionable insights through data and analytics.

In addition to being strong standalone businesses, GrabOne and iNC provide further revenue generating opportunities through collaboration with APN's divisions.

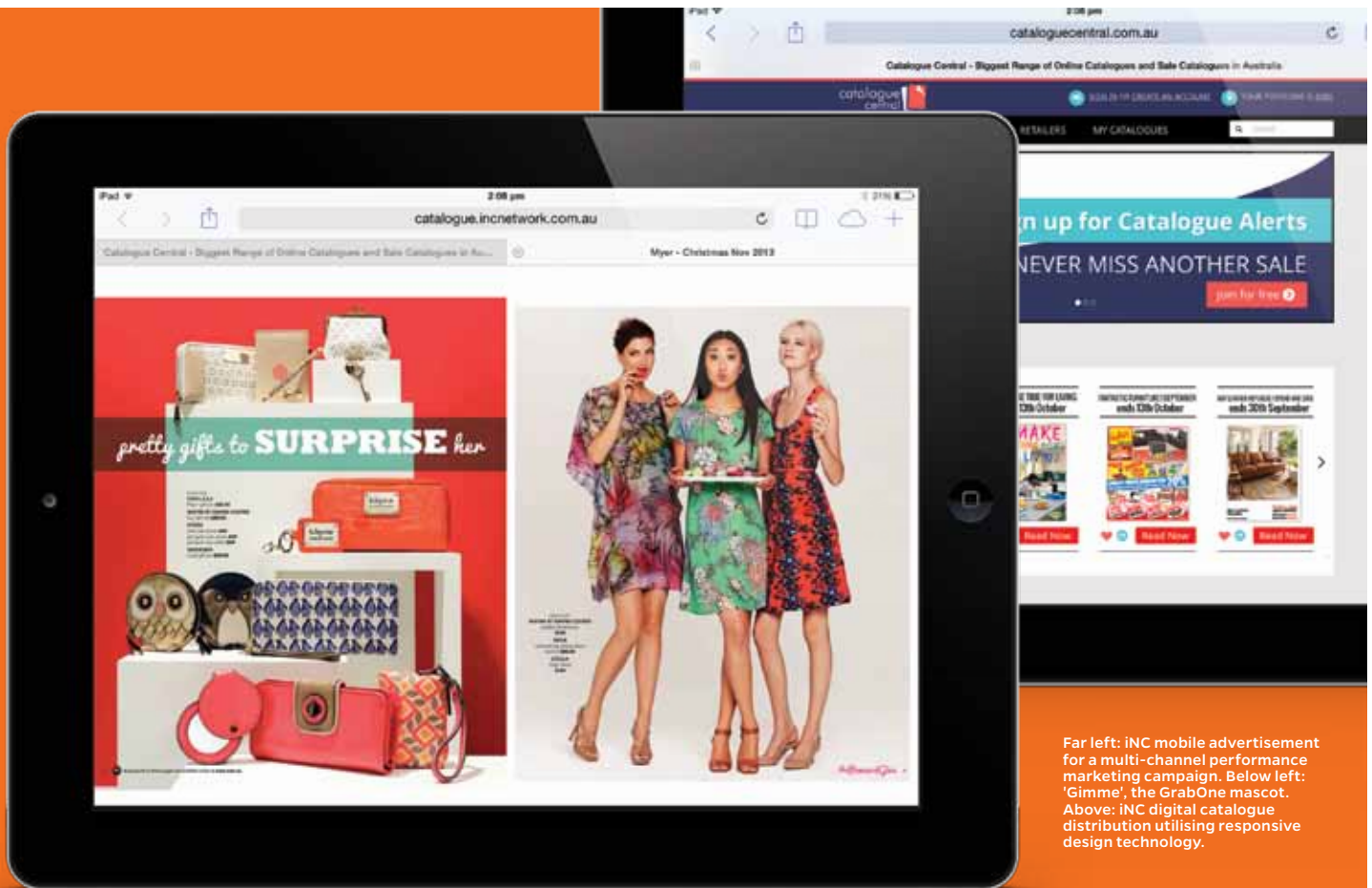
In the second half of 2013, APN announced that it was exploring divestment options for its e-commerce business brands Exclusive. Following a competitive process, APN sold the business to Aussie Commerce Group in February 2014. As part of the deal, APN received 8% of the equity in Aussie Commerce Group.

## Results impacted by operating conditions

GrabOne continued its revenue growth from the previous three years, with the full year result of \$18.2 million up 13% on a local currency basis. EBITDA was flat at \$4.8 million. Difficult trading conditions in the third quarter, changes in user preferences to mobile platforms and launch costs associated with GrabOne's new transactional website GoBook affected the business' ability to exceed 2012's EBITDA result.

GrabOne continued to experience growth in several of its key metrics, including a 7% increase in average transaction value, a 35% increase in the number of merchants and a 2.5% increase in average commission rate. Growth in mobile usage was 83% and while conversion rates to mobile platforms were an issue for the business, mobile now makes up 20% of all transactions.





Far left: iNC mobile advertisement for a multi-channel performance marketing campaign. Below left: 'Gimme', the GrabOne mascot. Above: iNC digital catalogue distribution utilising responsive design technology.

2013 was a transitional year for iNC. Revenue was \$4.1 million, down \$1.1 million and EBITDA was \$0.5 million, down \$1.0 million. iNC's core catalogue revenue was impacted by the difficult trading conditions experienced by several key retail clients, predominantly in the first half. iNC has broadened its product range and capabilities, with new products now accounting for over 25% of revenues.

#### Expanded offerings

In October 2013, GrabOne launched GoBook, which enables consumers to browse for and book travel and other activities directly with operators. The response from both consumers and operators has been strong, with over 10,000 transactions to date.

iNC reshaped its business from principally providing digital catalogue distribution for retailers, to now offering a wider range of targeted performance digital media services for all advertising sectors. After a number of major client wins in the second half of 2013, the business has positive momentum into 2014.

#### 2014 and beyond

A key objective of both GrabOne and iNC is to continue expanding their offerings. In 2014, GrabOne will launch further new verticals such as the fashion-based GoStyle, which will leverage the merchant relationships built up

in GrabOne's core business. iNC is also focused on introducing new verticals in areas such as finance and travel.

Both businesses will also look to grow and diversify through partnering with APN's other businesses as an integral part of their digital expansion plans.

**GrabOne is the leading group buying business in New Zealand with a market share of**

**80%**

#### GrabOne

AUD million	2013	Change (% local currency)
Revenue	18.2	13%
Costs	(13.4)	19%
<b>Segment EBITDA</b>	<b>4.8</b>	<b>0%</b>

## CORPORATE SOCIAL RESPONSIBILITY

# Giving a voice to our community

APN and our businesses are committed members of the communities in which we operate. Our service to, and support of, these communities is a responsibility that we take very seriously. Our national and localised publishing, radio, outdoor and digital media assets across Australia and New Zealand provide a voice for members of the public to air the issues that are important to them.

Through high-quality, balanced newspaper and broadcast content, we keep people informed and hold those in leadership positions to account. APN's businesses also play an important role in promoting the sustained development of their communities through sponsorships and direct funding, as well as supporting charities and not-for-profit organisations.

APN builds strong community connections by promoting important events and charitable campaigns, both through service announcements and the direct involvement of our employees. This enables us to continue supporting these communities in a responsible and constructive way.

### Partnering for a good cause: charity

In 2013, APN continued its sponsorship of the Australian Children's Music Foundation (ACMF), which provides music lessons and instruments to disadvantaged children. Cash donations from APN and advertising provided by Australian Radio Network (ARN) and APN Outdoor helped to fund and promote ACMF's two main events, the National Songwriting Competition and the Duets fundraising concert.

ARN, Adshel and APN Outdoor all sponsored the Gold Week Telethon, the major annual fundraising event of the Sydney Children's Hospital. An innovative and popular highlight was ARN's introduction of a new digital radio station, WSFM4KIDS, solely to raise money for the telethon.

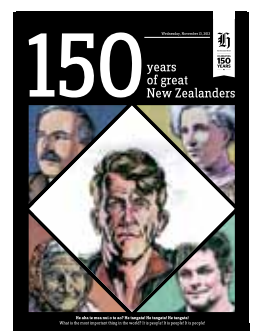
ARN also supported a number of other national and local charitable campaigns throughout the year by providing house-produced radio commercials, dedicated air time with its radio talent, participation by its street teams and digital promotions. Some of the campaigns supported included Barnardos Mother of the Year Awards, The Starlight Foundation's Starlight Day and the Daniel Morcombe Foundation's Day for Daniel.

### Case study

## The New Zealand Herald's 150th anniversary

NZM auctioned the original artworks by Dick Frizzell of Sir Edmund Hillary, Dame Whina Cooper, Ernest Rutherford, Kate Sheppard and Richie McCaw that featured on The New Zealand Herald's 150th anniversary cover.

NZM also listed 150 special edition signed prints of the national icons on GrabOne, which sold out in minutes. All proceeds from the sales, along with NZM's own donation, were given to the Starship Foundation. NZM also provided sponsorship advertising for the organisation.



# oice to nities

Adshel supported Open Families Australia, R U OK? and the Royal Institute for Deaf and Blind Children (RIDBC) through its 'Importance of Giving Back' campaign. On the back of media space provided by Adshel, RIDBC received a 30% increase in traffic to its website and R U OK? had almost 25,000 interactions with its campaign over a two week period. Overall, Adshel made direct donations and provided media space to approximately 20 different charities during the year.

As part of The New Zealand Herald's 150th anniversary celebrations, New Zealand Media (NZM) held an auction for the five original artworks featured on its anniversary cover with proceeds donated to the Starship Foundation's National Air Ambulance service, which flies medical experts to life-threatening emergencies around New Zealand (see case study). NZM supported more than 30 other charities throughout 2013, including the Salvation Army, Camp Quality, Cancer Society and the Tauranga Foodbank.

Jason Gunn and Dave Fitzgerald from The Radio Network's (TRN) Classic Hits network achieved the impossible by crossing Cook Strait in bumper boats to raise awareness of Coastguard, New Zealand's primary maritime search and rescue service. Funds raised were donated to Coastguard for ensuring their safe passage. Overall, TRN contributed to more than 25 charities in 2013, including Cure Kids, Plunket and the Breast Cancer Foundation.

## Contributing for a common goal: community and culture

The floods that hit Queensland in early 2013 caused significant disruption across the State. Australian Regional Media's (ARM) Bundaberg NewsMail produced a 2013 Flood Crisis Book for its readers that contained a chronological record in pictures and commentary of how Bundaberg prevailed through the disaster. A proportion of the proceeds from sales of the books were donated to the town's recovery effort.

A number of ARM's publications again supported the Adopt-A-Family initiative in 2013 by assisting organisations including the Salvation Army, St Vincent de Paul and Lifeline to provide gifts and food to approximately 2,500 families.

Adshel teamed up with leading anti-violence lobby group Step Back Think in its campaign to end late night street violence (see case study). Adshel continued its support of the arts by sponsoring the Sydney Festival, the National Gallery of Victoria and the Art Gallery of South Australia. 2013 was also Adshel's 10th year of sponsoring the Sydney Theatre Company.

TRN partnered with The New Zealand Herald to announce The Pride of New Zealand Awards, which recognises people who make a major, often unheralded, difference to their communities. As part of its ongoing support of the arts, The New Zealand Herald was a major sponsor of the Auckland Readers and Writers Festival and the Auckland Philharmonic Orchestra Premier Series.

GrabOne utilised its extensive reach across New Zealand to provide families in need with Christmas cheer through its Secret Santa project. A family from each of the 13 regions GrabOne operates in was selected via subscriber nominations and provided with an extensive package including supermarket vouchers and gifts from some of GrabOne's most valued merchants.



### Case study

## Adshel's anti-violence campaign

In collaboration with Step Back Think, Adshel has launched its 'Put 'Em Away' poster campaign to encourage young people to consider the consequences of resorting to violence, particularly one-hit assaults.

Produced by Sydney agency Common Ventures and illustrated by James Jirat Patradoon, the campaign asks the question: "Is one punch worth it?" Posters will be featured on Adshel advertising space across Sydney, Melbourne and Brisbane during 2014.

# SENIOR MANAGEMENT TEAM





**1 • MICHAEL MILLER** • *Chief Executive Officer, APN News & Media*

Michael Miller commenced as Chief Executive Officer of APN News & Media in June 2013. Prior to his current role, Michael was the Regional Director for News Limited in New South Wales and had been in senior executive roles at News Limited since 1997. His positions included Managing Director of Nationwide News (2011 – 2012), Managing Director of Advertiser News Media (2004 – 2010) and Group Marketing Director (1997 – 2004). Michael is also a Director of the Committee for Sydney and Waratahs Rugby and is a previous Director of News Limited, Sky Network Television, Fox Sports Australia, carsguide.com.au and the Audit Bureau of Circulations.

**2 • JEFF HOWARD** • *Chief Financial Officer, APN News & Media*

Jeff Howard joined APN News & Media in 2010 and was appointed Chief Financial Officer in December 2012. Jeff spent more than nine years with ABN AMRO and RBS in corporate lending and broader relationship banking roles that included a focus on the telecommunications and media sectors. Prior to this, Jeff was with KPMG where he spent nearly 10 years in audit and project roles, including a secondment to KPMG's Philadelphia practice. Jeff completed his Executive MBA with the Australian Graduate School of Management in 2005 and is a Chartered Accountant.

**3 • YVETTE LAMONT** • *Group General Counsel and Company Secretary, APN News & Media*

Yvette Lamont has been Group General Counsel and Company Secretary of APN News & Media since 1998. She was previously General Counsel of pay television company Australis Media Limited, a Senior Associate with law firm Allens in the Media and Technology Group and a solicitor with boutique law firm Boyd, House & Partners specialising in media law (in particular commercial radio). Yvette is a Member of the Media and Communications Committee of the Law Council of Australia and is a Graduate of the Australian Institute of Company Directors. She was admitted as a solicitor to the Supreme Court of NSW in 1987 and the High Court of Australia in 1988.

**4 • NEIL MONAGHAN** • *Chief Executive Officer, Australian Regional Media*

Neil Monaghan was appointed as Chief Executive Officer of Australian Regional Media in April 2013 after more than 25 years' experience working in procurement and operations across various industries including media, mining and construction. Neil originally joined APN in 2001 as Group Procurement Director and in 2004 was seconded to Dublin, Ireland to work for Independent News & Media PLC as Head of Global Procurement. After returning to APN in 2008, Neil left in 2009 to consult to the mining industry on projects in Australia and the Middle East, before returning to APN in 2010 as Group Operations & Procurement Director. Neil has a Master of Applied Law from The University of Queensland.

**5 • MARTIN SIMONS** • *Chief Executive Officer, New Zealand Media*

Martin Simons has more than 30 years' experience as a journalist, editor and manager with APN New & Media in both Australia and New Zealand. He was appointed Chief Executive Officer of Wilson & Horton Ltd's New Zealand regional business in 1998. After acquisition of Wilson & Horton by APN News & Media in 2002, he became trans-Tasman Chief Executive Officer for the combined regional division and was later head of all publishing. Martin took up his current role of Chief Executive Officer of New Zealand Media in 2006. He completed the Harvard AMP programme in 2004.

**6 • CIARAN DAVIS** • *Chief Executive Officer, Australian Radio Network*

Ciaran Davis joined Australian Radio Network as Chief Executive Officer in January 2010 from Communicorp Group Ltd, where he spent 10 years working with the group's radio and media interests in Europe and the Middle East. His positions included Commercial Director (2007 – 2010), Chief Executive Officer for 98FM, Dublin (2003 – 2007) and Marketing Director for 98FM (2000 – 2003). Before joining Communicorp, Ciaran worked with Irish Permanent PLC (1996 – 2000), leading their sponsorship activities of the Irish rugby team. Ciaran is a Director of Commercial Radio Australia and The Australian Ireland Fund.

**7 • JANE HASTINGS** • *Chief Executive Officer, The Radio Network*

Jane Hastings joined The Radio Network as Chief Executive Officer in September 2012 from Amalgamated Holdings Limited, where she was General Manager, Entertainment Australia and New Zealand. Jane was previously General Manager Group Sales, Marketing and Cinemas at SKYCITY Entertainment Group and also spent over eight years in executive roles in Asia, including Managing Director at Tequila Asia, Managing Director at Draftworldwide Japan, Regional Director of Customer Relationship Management at Wunderman Cato Johnson Singapore and Director of Communications at ICLP in Hong Kong. Before heading to Asia, Jane gained experience at Air New Zealand, leading the loyalty areas of Airpoints and Koru Club.

**8 • ROB ATKINSON** • *Chief Executive Officer, Adshel*

Rob Atkinson joined Adshel as Chief Executive Officer in November 2011, having previously held the position of Chief Operating Officer of Clear Channel UK. Rob originally joined Clear Channel as Sales Director in 2005 before being promoted to Group Sales Director and then Managing Director in the same year (2008). Prior to joining Clear Channel, Rob held various senior sales roles at Associated Newspapers in both London and Dublin and won the prestigious Campaign Magazine UK Sales Leader of the Year in 2009.

# BOARD OF DIRECTORS



**1 • PETER COSGROVE • Chairman**

Peter Cosgrove has been an APN Board Member since December 2003. He is the founder of the Buspak group of companies in Australia, New Zealand and Hong Kong and has more than 20 years' experience in the publishing, broadcasting and outdoor advertising industries. Mr Cosgrove is non-executive Chairman of Buspak Hong Kong (since June 2003), non-executive Deputy Chairman of Clear Media Limited (Director since April 2001), which is listed on the Stock Exchange of Hong Kong, and a Director of APN Media (NZ) Limited (since February 2013). He is also Chairman of GlobeCast Australia Pty Limited (since June 2002), a broadcasting company based in Sydney.

**Responsibilities:** Chairman of the Board of Directors (from 19 February 2013), Chair of Nomination Committee, Allotment Committee and Options Committee (all from 20 June 2013).

**2 • TED HARRIS AC • Deputy Chairman**

*F.INST.D, FAIM, FAICD.*

Ted Harris has been an APN Board Member since March 1992 and Deputy Chairman since December 1994. He was Managing Director and Chief Executive Officer of the Ampol Group (1977 – 1987) and was previously Chairman of Australian Airlines, British Aerospace Australia, Australian National Industries, Thakral Holdings and Gazal Corporation and Deputy Chairman of Metcash Limited. Mr Harris is Chairman of Australian Radio Network and President of St Vincent's Clinic Foundation, as well as 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 (1973 – 1990) and Chairman of the Australian Sports Commission and Institute of Sport (1984 – 1994). Mr Harris started his career as a broadcaster and journalist with Macquarie Broadcasting Service and is a former Commissioner of the ABC. He was Trustee for the Walkley Awards (1976 – 1980) and is a recipient of the Queen's Silver Jubilee Medal.

**Responsibilities:** Non-Executive Director, Deputy Chairman, Chair of Remuneration Committee, Member of Audit Committee, Chair of the Audit Committee (from 19 February 2013 to 16 August 2013).

**3 • ANNE TEMPLEMAN-JONES •**

**Non-Executive Director** *B Comm (UWA), ACA, EMBA (UNSW) and Masters in Risk Management (UNSW).*

Anne Templeman-Jones was appointed to the APN Board in June 2013 and brings extensive expertise in strategy, banking, finance, risk management and governance. Since 1995, she has served on the Boards and chaired the Audit and Risk Committees of HBF General Insurance Limited, McCusker Foundation for Alzheimer's Research and the Travel Compensation Fund and currently serves on the Boards of Cuscal Limited and HBF Health Limited. From 2007 to 2013, Ms Templeman-Jones held a number of senior executive positions at Westpac, including Director of Corporate and Institutional Banking, Director Group Risk Reward, Head of Strategy and Governance for Pacific Banking and Head of Private Bank (NSW). She previously held senior executive positions in Switzerland, Belgium, Perth and Sydney with AIESEC International, PricewaterhouseCoopers, the Bank of Singapore, the Bank of New Zealand and ANZ Banking Group. Ms Templeman-Jones is a Fellow of the Australian Institute of Company Directors and a member of the Australian Institute of Chartered Accountants.

**Responsibilities:** Non-Executive Director, Chair of Audit Committee (from 16 August 2013), Member of Audit Committee and Remuneration Committee (both from 20 June 2013).

**4 • VINCENT CROWLEY •**

**Non-Executive Director** *BA, FCA.*

Vincent Crowley was appointed to the APN 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 (INM) in 1990, became a Director of INM in 1997 and was appointed Chief Executive of Independent News & Media – Ireland in August 2002. Mr Crowley retired from the INM Board in 2009 and in January 2010 was appointed Group Chief Operating Officer of INM. In April 2012, he was appointed Group Chief Executive Officer of INM and rejoined the INM Board. Mr Crowley was previously an audit manager with an international accountancy firm. He is also a director of a number of INM subsidiaries and associated companies.

**Responsibilities:** Non-Executive Director, Member of Audit Committee (from 14 March 2013).

**5 • PAUL CONNOLLY •**

**Non-Executive Director** *B Comm, FCA.*

Paul Connolly was appointed to the APN Board in October 2012 and brings extensive experience in media and communications. Since 1991, Mr Connolly has been Chairman of Connolly Capital Limited, a Dublin-based corporate finance advisory firm focused on the telecommunications, media and technology sectors. He was a Director of Esat Telecommunications Limited, an Irish telecommunications company (1997 – 2000) and then a Director of Digicel Limited, a Caribbean-based telecommunications company. From 1987 to 1991, Mr Connolly was Financial Controller of Hibernia Meats Limited and prior to that he was an accountant with KPMG. Currently, Mr Connolly serves on the Boards of Independent News & Media PLC, Communicorp Group Ltd and Melita Cable PLC and in October 2010 he was invited to become an external Senior Advisor to Credit Suisse. He holds a Bachelor of Commerce from University College Dublin, Ireland, is a Fellow of Chartered Accountants Ireland and is a member of the Executive Summit at Stanford Graduate School of Business.

**Responsibilities:** Non-Executive Director, Member of Remuneration Committee and Nomination Committee (both from 20 June 2013).

**6 • PETER CULLINANE •**

**Non-Executive Director** *MBA, M Mgt.*

Peter Cullinane was appointed to the APN Board in November 2013. As the former Chief Operating Officer of Saatchi & Saatchi Worldwide (1998 – 2002) as well as its Chief Executive, New Zealand and Chairman, Australasia for over eight years prior, he is a respected force in global advertising and marketing who brings to the Board extensive industry knowledge, as well as expertise in Australasian and global markets. Based in Auckland, Mr Cullinane is currently a Partner of Assignment Group, where he provides strategic advice to a wide range of New Zealand and international clients. He is a director of STW Communications Group (since 2010) and SKYCITY Entertainment Group (since 2008), where he is also Chairman of the Corporate and Social Responsibility Committee and a member of the Governance and Nominations Committee. Mr Cullinane is also the founder of Lewis Road Creamery Limited and Antipodes Water Company.

**Responsibilities:** Non-Executive Director, Member of Remuneration Committee (from 4 December 2013).

# FIVE YEAR FINANCIAL HISTORY

	2013 \$'m	2012 (Restated) <sup>6</sup> \$'m	2011 (Restated) <sup>7</sup> \$'m	2010 \$'m	2009 \$'m
<b>Income Statement</b>					
Total revenue	817	857	1,072	1,059	1,031
EBITDA <sup>1</sup>	163	149	209	244	230
EBIT <sup>2</sup>	130	118	171	205	189
Adjusted net profit <sup>3</sup>	60	54	78	103	94
Statutory net profit	3	(507)	(45)	94	93
<b>Balance Sheet</b>					
Equity excluding minority interest	362	350	876	962	933
Total assets	1,255	1,294	1,997	2,163	2,203
Total bank borrowings	457	486	670	720	783
<b>Statistical Analysis</b>					
EBITDA/total revenue	19.9%	17.4%	19.5%	23.1%	22.3%
Bank borrowings/EBITDA	2.8	3.3	3.2	3.0	3.4
Earnings per share – basic (cents) <sup>4</sup>	9.0	8.4	12.6	17.2	17.0
– diluted (cents) <sup>4</sup>	9.0	8.4	12.6	17.2	17.0
Dividend per share (cents)	—	1.5	8.5	12.0	4.0
Dividend payout ratio <sup>5</sup>	0%	19%	67%	70%	25%
Interest cover based on EBITDA (times)	4.6	3.7	3.7	4.9	4.5
No. of shares on issue ('000)	661,527	661,527	630,211	606,084	595,312
No. of shareholders	8,270	9,546	9,419	9,891	11,138
Market capitalisation (\$'m)	298	165	447	1,176	1,381
Market price per share at 31 December	\$0.45	\$0.25	\$0.71	\$1.94	\$2.32

(1) Profit from continuing operations before exceptional items, interest, tax, depreciation and amortisation.

(2) Profit from continuing operations before exceptional items, interest and tax.

(3) Net profit from continuing operations attributable to owners of the parent entity after tax, before exceptional items.

(4) Earnings per share are before exceptional items.

(5) Before exceptional items.

(6) Restated for correction of error in relation to impairment charge and change in accounting policy in relation to defined benefit schemes.

(7) Restated for change in accounting policy in relation to defined benefit schemes.

**“  
This is a very  
satisfying result,  
which saw APN  
return to growth and  
has positioned the  
Company for further  
improvement.”**

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**Michael Miller**  
Chief Executive Officer  
APN Full year results,  
19 February 2014

# CORPORATE DIRECTORY

**APN News & Media Limited  
ACN 008 637 643****Directors**

Peter Cosgrove (Chairman)  
Ted Harris (Deputy Chairman)  
Anne Templeman-Jones  
Vincent Crowley  
Paul Connolly  
Peter Cullinane

**Company Secretary**

Yvette 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**

(Australia) 1300 553 550  
(New Zealand) 09 375 5998  
(International) +61 1300 553 550

**Fax**

(Australia) 02 9287 0303  
(New Zealand) 09 375 5990  
(International) +61 2 9287 0303

**Email**

[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**Website**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**Auditors**

PricewaterhouseCoopers  
Darling Park Tower 2  
201 Sussex Street  
SYDNEY NSW 1171

**Principal bankers**

ANZ  
Commonwealth Bank  
HSBC  
National Australia Bank  
RBS  
Westpac Banking Corporation

**Notice is hereby given that the Annual General Meeting of members of APN News & Media Limited will be held at the Four Seasons Hotel, 199 George Street, Sydney NSW 2000 on Thursday, 8 May 2014 at 11am.**

**Relationship of the Shareholder Review to the Annual Report**

The Shareholder Review is an extract from the Annual Report for the year ended 31 December 2013.

The financial information and specific disclosures included in the Shareholder Review have been derived from the Annual Report.

The Shareholder Review cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of APN News & Media Limited and its subsidiaries as the Annual Report. Further financial information can be obtained from the Annual Report.

The Annual Report will be sent to shareholders on request, free of charge.

To request a copy, please call:  
(Australia) 1300 553 550  
(New Zealand) 09 375 5998  
(International) +61 1300 553 550

Alternatively, the Annual Report and the Shareholder Review are on [www.apn.com.au](http://www.apn.com.au).

APN News & Media Limited is a company limited by shares, incorporated and domiciled in Australia and is listed on both the ASX and NZX.



[apn.com.au](http://apn.com.au)