



Full Year 20 Results 15



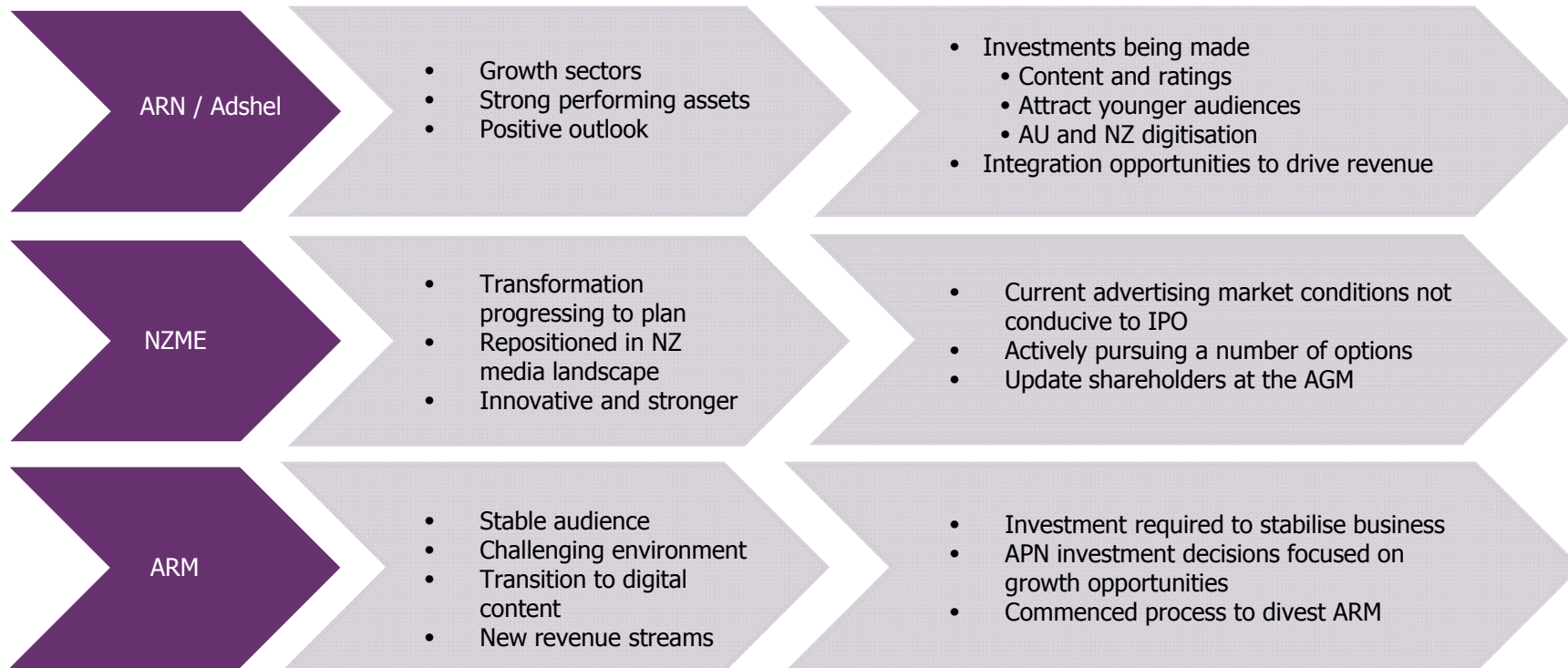
APN NEWS & MEDIA LIMITED
ABN 95 008 637 643

Agenda



- Strategic priorities
- FY15 highlights
- Divisional performance
- Group financials
- Trading update
- Questions

Strategic priorities



FY15 Operational highlights



Significant progress and transformation

- ARN – Australia’s #1 Metropolitan Radio Network*
- Adshel LIVE driving solid revenue growth. Continued investment in 2016
- NZME delivers on merger and achieves targets
- Group-wide cost savings target of \$25m exceeded
- New business initiatives diversifying revenue



*Source: GFK Metro Surveys 1-8 2015 average, 10+ Mon-Sun 5.30am-12.00am, Sydney/Brisbane/Melbourne/Adelaide/Perth

FY15 Financial highlights



A\$ million	2015	2014	% change
Revenue from continuing operations	850.0	843.2	1%
EBITDA	166.2	164.1	1%
EBIT	130.9	130.8	-
Net profit after tax	70.2	75.2	(7%)
Profit/(loss) from discontinued operations	-	(0.5)	
Net profit after tax before exceptional items	70.2	74.7	(6%)
Impairment and other exceptional items	(80.4)	(63.2)	(27%)
Profit attributable to shareholders	(10.2)	11.5	(189%)

- Group revenues up 1% to \$850.0m (down 1% on a constant currency basis)
- EBITDA up 1% to \$166.2m driven by ARN market outperformance
- Net profit after tax impacted by higher tax expense
- Non-cash impairment charge of \$50.8m against ARM mastheads
- Cash flow of \$78.2m reduces leverage to 2.74 times
- As per dividend policy, no dividend will be paid for 2015

ARN Group

(Australian Radio Network, iHeartRadio & Emotive)

Successful 2015



Investment delivering results

- Ratings success
 - ARN – Australia's #1 metropolitan radio network*
 - KIIS – Australia's #1 radio brand*
 - Breakfast and Drive key to success
- Successful two brand strategy in major markets
- Integration of 96FM
- Launched Emotive
- iHeartRadio – audiences and revenues growing
- Overall revenue growth of 22%; EBITDA growth of 25%



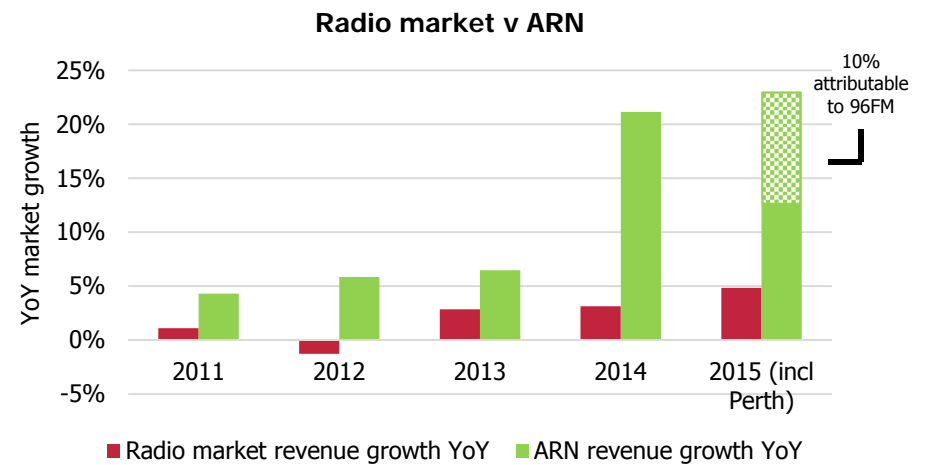
* Source: GFK Metro Surveys 1-8 2015 average, 10+ Mon-Sun 5.30am-12.00am, Sydney/Brisbane/Melbourne/Adelaide/Perth

Outperforming the market



Taking revenue share in a growing market

- Outperformed the market for the past five years
- Increased focus on agency revenues
- Network effect of 96FM
- Yield growth of 13% YoY, after 19% in 2014
- Improving power ratio (revenue share v audience)



* Source: Deloitte / CRA 12 months to December

96FM delivering results



Progress on 96FM acquisition

- 96FM rebrand and integration into the KIIS network complete
- Positive advertiser response from 4pm-7pm national syndication
- 14% growth in agency revenues proving national offering
- Integration initiatives starting to drive audience and revenues
- Operational efficiencies driving earnings growth
- Shifted music and positioning from 40-54 to 30-44 resulting in audience fragmentation
- Plans in place to increase audience share



Diversifying revenues



Financial update

- Australian radio market grew 4.8% in 2015
- ARN revenue up 12% before the impact of 96FM
- Digital revenues up 51%
- Of the \$24m of cost growth:
 - \$15m attributable to 96FM, investment in Emotive and digital activities
 - \$9m attributable to cost of sales, talent and other costs that delivered incremental revenue of \$18m
- Grew EBITDA margin from 36.8% to 37.4%

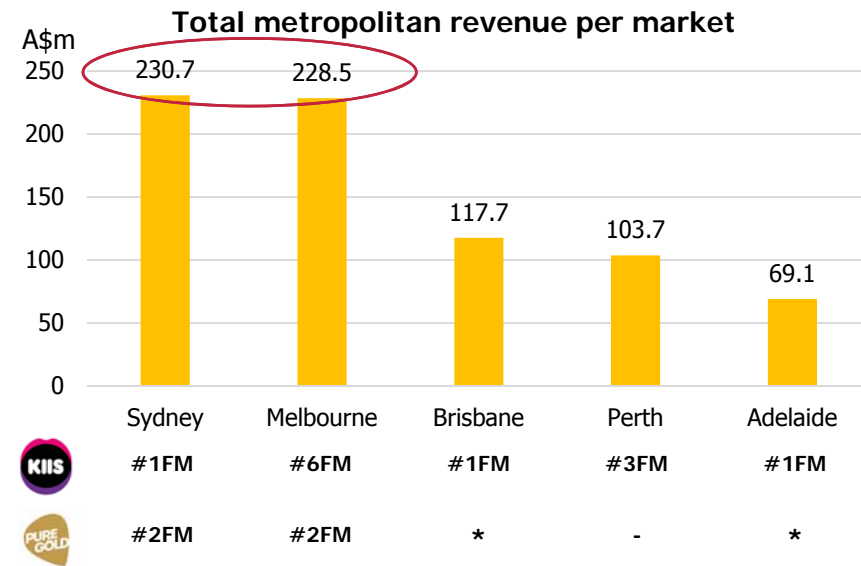
A\$ million	2015	2014	% change
Revenue	221.1	180.9	22%
Costs	(138.3)	(114.4)	21%
EBITDA	82.8	66.5	25%

Looking ahead



Growth plans for 2016

- New CEO appointed
- Melbourne – a key market focus
- New shows launched
- iHeartRadio/The Edge – utilising strong digital, mobile and social reach to expand younger audience base
- Optus – commercial partnership with iHeartRadio
- Emotive – unique content creation
- Adshel – revenue integration opportunities



* AM station

Source: Deloitte / CRA 12 months to December 2015,
Source: GFK Metro Surveys 1-8 2015 average, 10+ Mon-Sun 5.30am-12.00am, Sydney/Brisbane/Melbourne/Adelaide/Perth

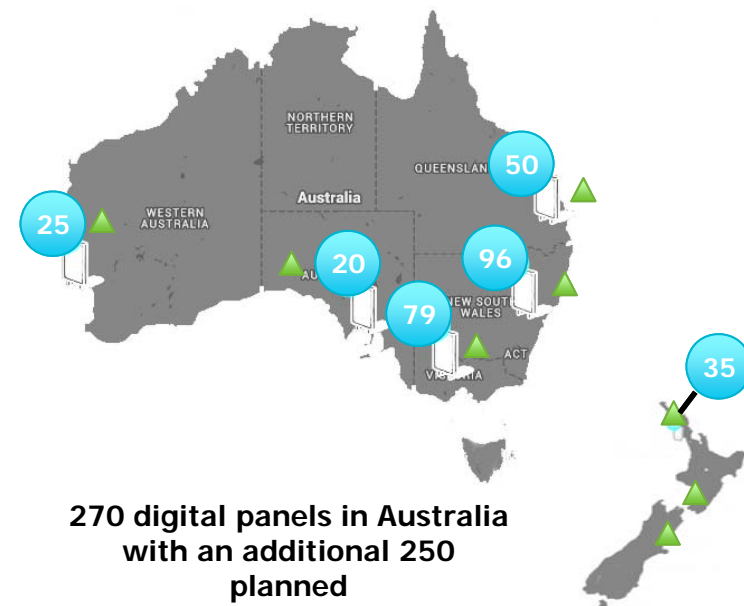
Adshel

Launch of roadside digital panels in 2015



Roadside digital investment repositions Adshel

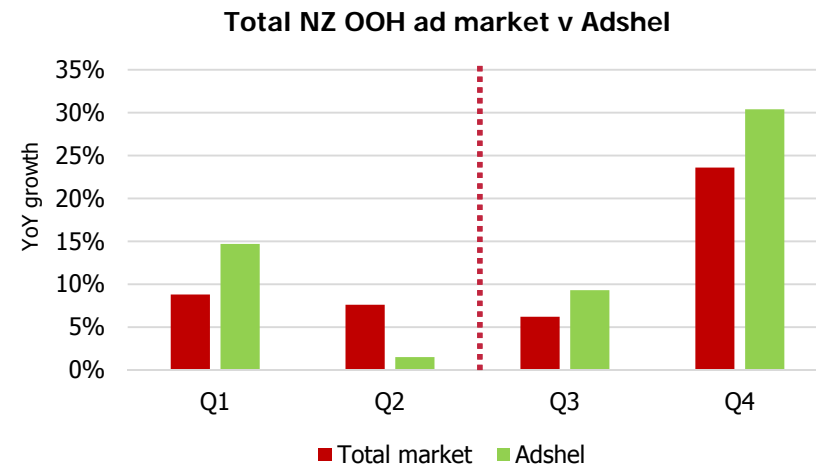
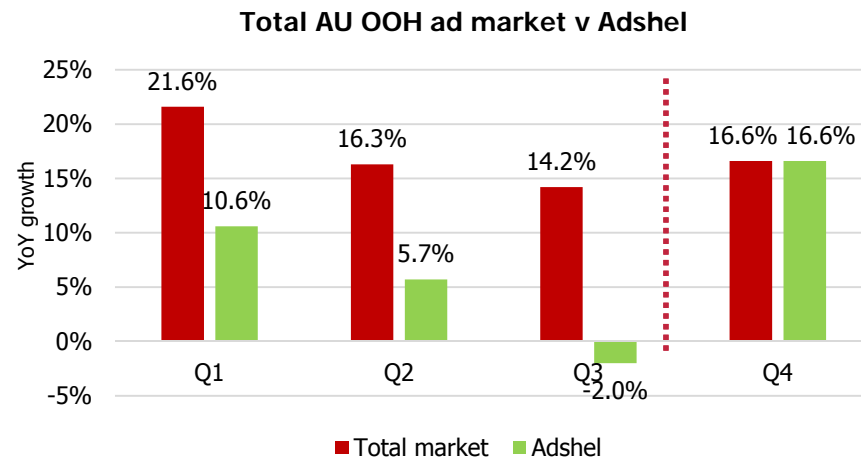
- Expanding digital and data capabilities
 - NZ digital launch: 35 panels from June 2015
 - AU digital launch: 270 panels from October 2015
- Launched beacons and integrated Helix Personas in AU
- Significant revenue upside – consistent with market
- Digital investment less than 2 year payback period
- Expansion – 365 additional panels across AU and NZ
- Launch of Adsmart giving advertisers more flexibility for campaigns



35 digital panels in NZ with an additional 115 planned

▲ Digital expansion sites

Adshel – investment driving above market performance



Source: OMA AU & NZ

..... Launch of Adshel LIVE

Adshel beginning to benefit from LIVE



Financial update

- Strong outdoor market in AU and NZ driven by digital expansion
- Revenue from static inventory remained steady
- Adshel's growth attributed to LIVE and Sydney Trains
- Q4 revenues up 17% YoY
- Cost driven by site rental increase

Looking ahead

- Actively pursuing opportunities to enhance Adshel network

A\$ million	2015	2014	% change
Revenue	159.5	147.2	8%
Costs	(121.2)	(110.2)	10%
EBITDA	38.3	37.0	4%
Net (debt) /cash	(7.3)	6.8	

Hong Kong Outdoor

Result impacted by bus body contract loss



Financial update

- Unsuccessful tender for bus body contract at end of H1
- Buzplay contract loss making; provision recognised in H1 through to end of contract in June 2017
- Immediate action taken to address cost base - HK\$70m (\$12m) of 2015 cost base now removed
- New management team in place
- Cody trading impacted by challenging conditions in H1
- H2 performance much stronger with Cody revenues up 5% on prior year assisted by a number of contract wins

A\$ million	2015	2014	% change	Local currency % change
Cody	19.0	17.4	10%	(9%)
Buzplay	5.5	6.3	(13%)	(27%)
Bus body	13.4	26.2	(49%)	(57%)
TOTAL Revenue	37.9	49.9	(24%)	(37%)
Costs	(37.5)	(45.2)	(17%)	(31%)
EBITDA	0.4	4.7	(91)	(92%)

Australian Regional Media

Resilient local revenues but weak national agency in Q4



Financial update

- Resilient local display revenues, down 4% on a like for like basis; non mining markets flat YoY
- Real estate revenues remain strong
- National revenues down 13% YoY, down 26% in Q4
- Audience revenues down 4% YoY, benefitting from digital subscriptions and cover price increases

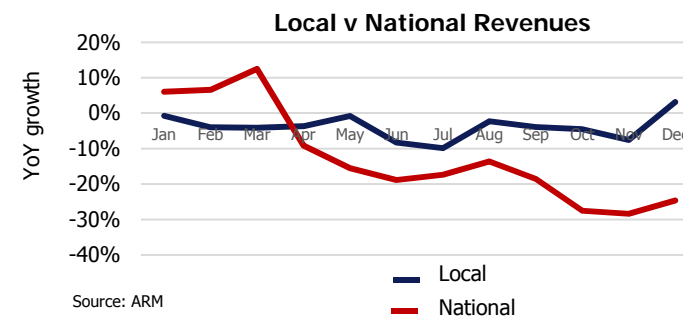
Cost management

- H2 cost initiatives completed late in 2015 delivering savings ahead of target. Further initiatives targeted for 2016.
- Re-investment into revenue generating streams

Future position

- Regional media inconsistent with APN long term ambition

A\$ million	2015	2014	% change
Local display	87.1	86.2	1%
National	29.6	34.2	(13%)
Local classifieds	18.5	22.6	(18%)
Audience	31.5	32.8	(4%)
Other	21.7	26.3	(17%)
TOTAL Revenue	188.5	202.1	(7%)
Costs	(170.1)	(177.1)	(4%)
EBITDA	18.4	25.0	(27%)



Audience & digital revenue growth



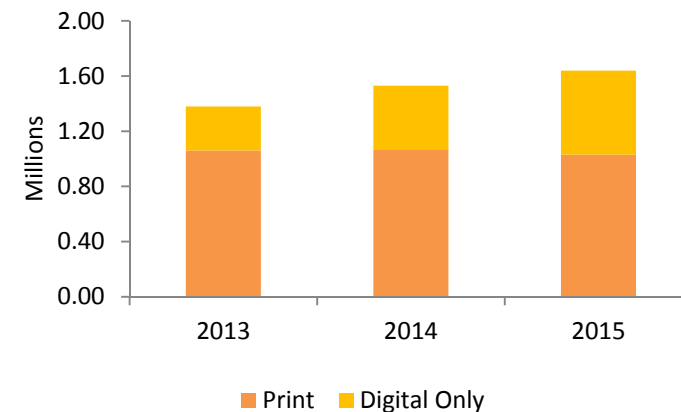
Unique local content driving audience growth

- ARM reaches 1.6m local Australians every week
- Very high market penetration at 87%
- Digital audience growth replacing print audience decline
 - Total online audience growth (+22%)
 - Mobile audience growth (+39%)
 - Social media audience growth (+19%)

Growing digital revenues

- 36% overall revenue growth in 2015
- Strong performance in local channels through bundles
- New revenue streams include:
 - Service Central (trade referral partnership)
 - Digital Marketing Services
 - Content Marketing

Weekly ARM Audience



Source: ARM weekly aggregate audience as developed with Nielsen; 12 months to December 2013, 2014 & 2015

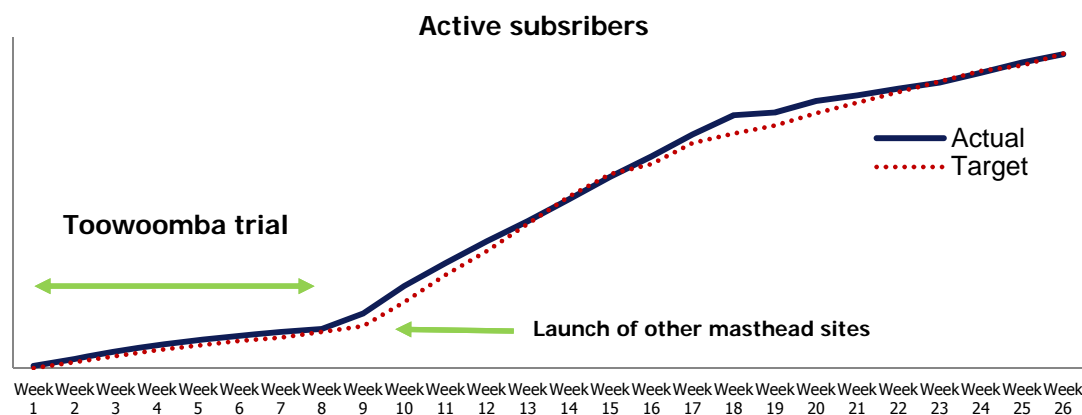
Source: Omniture SiteCatalyst November 2015 vs 2014 ^Hootsuite November 2015

Digital subscription program launched successfully



Ahead of business case

- ARM launched metered paywall in August with a successful pilot in Toowoomba
- Metered paywall rolled out across all 12 daily websites in October
- Digital subscription conversion of 86% (trial to regular)
- Bundled offer includes ARM products plus The Courier-Mail/The Daily Telegraph digital, The Washington Post and Presto



NZME.

Transformation on-track



Target	Achieved
Deliver FY15 EBITDA of \$70.8m*	\$74.9m delivered
Merge three businesses into one	Merged business – one newsroom, merged commercial teams Auckland and twelve regions colocated
Generate over \$55m of annual revenue from digital and other growth channels in FY15	Over \$59m generated 30% digital growth in publishing business
Deliver cost savings of \$18m	Over \$20m secured



*\$4m of listed costs were included in the market forecast of \$70.8m, like for like comparison therefore \$74.8m

NZME financials



NZ\$ million	Revenue		Costs		EBITDA	
	2015	% change	2015	% change	2015	% change
NZME Publishing	295.4	(1%)	(240.8)	(2%)	54.7	5%
NZME Radio	120.2	(5%)	(96.0)	(6%)	24.3	(3%)
NZME GrabOne	17.3	(16%)	(12.9)	(21%)	4.5	2%
NZME Group	-	-	(8.5)	-	(8.5)	-
NZME Total	433.0	(3%)	(358.1)	(2%)	74.9	(8%)

Financial update

- Softer NZ economy, especially outside of Auckland
- Integration benefitting all teams and results
- NZME Publishing performance reflects benefits of new revenue streams including the print and distribution alliance with Fairfax Media
- NZ Radio market disrupted by a change to the agency radio buying model and only one market survey
- GrabOne profitability has grown despite a challenging daily deals market
- Launched new revenue streams including NZME Vision, WatchMe and CreateMe

2016 focus



Continued integration to drive growth

- Operating as a fully integrated media and entertainment business
- Digital inventory innovation and monetisation through mobile, video (WatchMe. VOD) and partnerships (KPEX)
- Digital Classifieds roll out commencing with Motoring planned for Q2
- CreateMe – delivering branded content solutions to clients with initial success already achieved in Q4 2015
- New cost savings target of \$10m
- Exclusive ethnic media partnerships to future proof audience



Group Financials

Business performance



A\$ million (Δ% local currency)	Business revenue	YoY change	Business EBITDA	YoY change	APN revenue	APN EBITDA
Australian Radio Network	221.1	22%	82.8	25%	221.1	82.8
Adshel	159.5	8%	38.3	4%	-	9.4
Hong Kong Outdoor	37.9	(37%)	0.4	(92%)	37.9	0.4
Australian Regional Media	188.5	(7%)	18.4	(27%)	188.5	18.4
NZME.	402.4	(3%)	69.6	(8%)	402.4	69.6
					850.0	180.7
					Corporate	(14.5)
					APN result	166.2

- Australian Radio Network includes 50% interests in Brisbane FM Radio, Canberra Radio and Nova Perth Radio
- Adshel is accounted for as an associate

Reconciliation of segment result to statutory result



A\$ million	Segment result		Exceptional items		Statutory result	
	2015	2014	2015	2014	2015	2014
Revenue before finance income	850.0	843.2	-	-	850.0	843.2
Other income	8.0	6.7	5.7	7.9	13.7	14.6
Share of associate profits	11.9	11.3	-	-	11.9	11.3
Costs	(703.4)	(697.1)	(86.1)	(75.2)	(789.8)	(772.2)
EBITDA	166.2	164.1	(80.4)	(67.2)	85.8	96.9
Depreciation and amortisation	(35.3)	(33.3)	-	-	(35.3)	(33.3)
EBIT	130.9	130.8	(80.4)	(67.2)	50.5	63.5
Net interest	(31.7)	(36.1)	(3.3)	(4.3)	(35.1)	(40.4)
Tax	(23.2)	(11.7)	3.4	5.3	(19.8)	(6.4)
Profit/(loss) from continuing operations	76.0	82.9	(80.4)	(66.2)	(4.4)	16.7
Profit/(loss) from discontinued operations	-	(0.6)	-	3.0	-	2.4
Net profit/(loss) after tax	76.0	82.3	(80.4)	(63.2)	(4.4)	19.1
Profit/(loss) attributable to owners of the parent entity	70.2	74.7	(80.4)	(63.2)	(10.2)	11.5
Non-controlling interest	5.8	7.6	-	-	5.8	7.6
	76.0	82.3	(80.4)	(63.2)	(4.4)	19.1

Exceptional items from continuing operations



A\$ million	H1 2015	H2 2015	2015	2014
Profit on disposal of properties and businesses	0.4	(0.2)	0.2	5.8
Gain on financial assets held at fair value through profit or loss	-	4.0	4.0	-
Gain on insurance claim	-	1.3	1.3	-
Redundancies and associated costs	(1.4)	(10.5)	(11.9)	(8.9)
Asset write downs and business closures	(2.6)	(1.4)	(3.9)	(8.4)
Impairment of intangible assets	-	(50.8)	(50.8)	(49.7)
Costs relating to one off projects*	(4.0)	(3.9)	(7.9)	(12.4)
Hong Kong Buzplay provision	(12.8)	(0.5)	(13.3)	-
Acquisition costs	(1.3)	-	(1.3)	-
Foreign exchange gains	-	-	-	2.2
	(21.7)	(62.0)	(83.8)	(71.5)
Income tax credit	4.1	0.6	4.7	11.3
Write off of tax losses	-	(1.4)	(1.4)	(6.0)
Exceptional items, net of tax	(17.6)	(62.8)	(80.4)	(66.2)

* Costs relating to one off projects includes costs of refinancing and NZME integration costs

Cash flow



A\$ million	2015	2014
Operating cash flow (before exceptional items)	155.6	139.7
Net payments related to exceptional items	(17.2)	(16.6)
Net interest paid and refinancing	(30.9)	(47.7)
Net tax paid	(2.9)	(12.1)
Capital expenditure (net of lease incentive)	(30.8)	(20.4)
Cash received from associates	10.0	9.5
Payments to non-controlling interests	(6.0)	(5.0)
Payments for New Zealand radio licenses	-	(7.1)
Other	0.5	2.0
Net cash flow before investing activities	78.2	42.2
Proceeds from sale of business and properties	2.6	8.9
Net payments / receipts for investments / divestments	(83.8)	(193.9)
Net proceeds from issue of shares	-	128.2
Net cash flow	(3.0)	(14.5)

Net debt

A\$ million	2015	2014
Gross debt	477.2	496.8
Cash	(21.7)	(39.0)
Net debt	455.5	457.8

- Year end leverage (net debt / EBITDA) of 2.74 times compared to covenant of 3.5 times
- EBITDA / interest of 5.9 times compared to covenant of 3.25 times
- Continue to borrow in AUD and NZD to effectively hedge foreign exchange movements
- Debt facility extended to July 2019
- Adshel using a finance lease facility for digital investment

Net debt by country in AUD	AU	NZ	HK	Total
Opening net debt/(cash)	267.8	200.8	(10.8)	457.8
Cash flows	25.9	(30.2)	7.2	3.0
Foreign exchange movements	-	(3.9)	(1.3)	(5.2)
Closing net debt/(cash)	293.8	166.8	(4.9)	455.5

Summary



Trading Update



The mixed conditions experienced in 2015 have continued into 2016.

The Australian radio market was up 5% in January and ARN continues to take share. Forward bookings indicate similar conditions for the remainder of Q1.

Adshel LIVE continues to drive significant momentum, and Adshel revenues in January were ahead of another strong market result.

Trading conditions in regional Queensland are consistent with those experienced in the second half of 2015. NZME is trading in line with a weak advertising market. Cost savings from both 2015 and new initiatives are partially offsetting these declines.

In summary



- Solid performance for the Group
- ARN and Adshel performing strongly in growth sectors
- NZME delivering on transformation goals
- Challenging market conditions fo ARM
- Strategic investments focused on growth areas

Questions?



Appendices



NZME Publishing



Financial update

- Print advertising decline offset by growth in digital revenue
- Real estate performed strongly
- Subscribers yield growth offset retail volume declines resulting in relatively flat performance (-1%)
- Other revenue increases reflect Fairfax print and distribution agreement

Operational highlights

- Integration enabled publishing revenue to outperform the market
- Total NZ Herald audience increased to 1.9m, digital audience growth (+11%)
- Launch of digital registrations – 390,000 achieved

NZ\$ million	2015	2014	% change	% change exc Mags
Advertising	179.6	186.9	(4%)	(3%)
Circulation	93.6	98.4	(5%)	(1%)
Other	22.2	12.8	73%	73%
TOTAL Revenue	295.4	298.1	(1%)	1%

NZME Radio



Financial update

- **Direct revenues:** Rural areas challenged due to weak economies; Auckland up 4% (9% in Q4)
- **Agency revenues:** Affected by lack of official audience measurement in H1; Changes to agency buying model from Q2
- **Continued growth of iHeartRadio and digital:** iHR audience up 58%; Events revenue doubled

Operational highlights

- Q4 2015 audience survey: +1.5% share (25-54)
- Newstalk ZB is #1 radio station in the country
- ZM now #1 in key 18-39 demographic
- Improved radio measurement in 2016 – three surveys a year
- Cross promoting radio talent across all NZME assets, maximising sales opportunities and investment in content

NZ\$ million	2015	2014	% change
Direct	72.4	74.4	(3%)
Agency	46.2	51.9	(11%)
Other	1.6	0.7	125%
TOTAL Revenue	120.2	127.0	(5%)

EBITDA TO EBIT RECONCILIATION



AUD million	2015			2014		
	EBITDA	D&A	EBIT	EBITDA	D&A	EBIT
NZME Publishing	50.8	12.8	38.0	48.0	11.2	36.8
NZME Radio	22.5	7.4	15.1	23.1	6.4	16.8
NZME GrabOne	4.1	1.6	2.5	4.0	1.3	2.7
NZME Group	(7.9)	-	(7.9)	-	-	-
NZME Total	69.6	21.9	47.8	75.1	18.9	56.2
Australian Radio Network	82.8	4.6	78.2	66.5	4.2	62.3
Australian Regional Media	18.4	8.2	10.1	25.0	9.7	15.3
Outdoor	9.8	0.3	9.5	14.3	0.2	14.0
Corporate	(14.5)	0.3	(14.8)	(16.8)	0.4	(17.1)
Total	166.2	35.3	130.9	164.1	33.3	130.8

H1 PERFORMANCE



A\$ million	Revenue			EBITDA		
	2015	Local currency	As reported	2015	Local currency	As reported
NZME Publishing	138.3	(0%)	2%	22.8	(2%)	0%
NZME Radio	57.2	(2%)	0%	10.2	(1%)	1%
NZME GrabOne	8.2	(11%)	(9%)	1.7	(11%)	(9%)
NZME Group	-	-	-	(4.0)	-	-
NZME Total	203.7	(1%)	1%	30.7	(13%)	(11%)
Australian Radio Network	104.6	29%	29%	36.6	26%	26%
Australian Regional Media	94.5	(5%)	(5%)	8.2	(22%)	(22%)
Outdoor	24.8	(12%)	3%	3.3	(32%)	(28%)
Corporate	-	-	-	(7.5)	7%	7%
Total	427.6	3%	5%	71.2	(1%)	1%

H2 PERFORMANCE



A\$ million	Revenue			EBITDA		
	2015	Local currency	As reported	2015	Local currency	As reported
NZME Publishing	136.2	(2%)	(2%)	28.0	11%	11%
NZME Radio	54.6	(9%)	(9%)	12.4	(5%)	(5%)
NZME GrabOne	7.9	(21%)	(21%)	2.5	13%	14%
NZME Group	-	-	-	(3.9)	-	-
NZME Total	198.7	(5%)	(5%)	39.0	(4%)	(4%)
Australian Radio Network	116.5	17%	17%	46.2	23%	23%
Australian Regional Media	94.0	(9%)	(9%)	10.2	(30%)	(30%)
Outdoor	13.2	(58%)	(49%)	6.5	(37%)	(32%)
Corporate	-	-	-	(7.0)	(310%)	(310%)
Total	422.4	(5%)	(3%)	94.9	1%	2%

CURRENCY



	AUD / NZD		AUD / HKD	
	2015	2014	2015	2014
June half average	1.055	1.078	6.066	7.097
Full year average	1.076	1.087	5.832	6.998
Period end rate	1.068	1.048	5.650	6.334