2011 Annual General Meeting

APN NEWS & MEDIA

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Gavin O'Reilly

NEWS & MEDIA

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Brett Chenoweth

2010 Financial Highlights

FY 2010 – Underlying *

AUD millions	**2010**	**Δ% as reported**
Revenue	1,059.1	3%
EBITDA	244.3	6%
EBIT	205.4	9%
NPAT	103.1	9%

Final Dividend Per Share: 7 cents (2 cents franked)

* pre Exceptionals and Discontinued operations

2010 Divisional Performance

FY 2010*

	Revenue		EBIT	
AUD millions	**FY 2010**	**Δ% as reported**	**FY 2010**	**Δ% as reported**
Australian Regional Media (ARM)	288.0	5.8%	60.0	0.8%
New Zealand Media	320.1	(0.4%)	71.3	7.3%
Australian Radio Network	127.3	3.5%	42.9	(1.6%)
The Radio Network (NZ)	85.7	1.1%	12.8	(4.6%)
Outdoor	238.0	3.8%	28.9	79.4%
Corporate	-	-	(10.5)	-
Total	**1,059.1**	**2.8%**	**205.4**	**8.7%**
Outdoor Like-for-like	238.0	17.3%	28.9	268.5%
Total Like-for-like	**1,059.1**	**5.5%**	**205.4**	**13.7%**

* pre-exceptionals and discontinued operations

2010 Cash Flow and Credit Profile

- Cash flow (before dividends and minorities) = $110.7m
- High cash conversion provides flexibility
- Dec 2010 net debt A$657m down from A$750m in 2009
- Undrawn facilities at year end of more than A$300m
- Net Debt/EBITDA: 2.7x

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Queensland Floods and Christchurch Earthquake

Queensland

- Devastating impact on APN staff and the communities we serve
- APN teams performed exceptionally
- In Queensland, website traffic spiked, circulation was strong, APN’s contribution to the community and the State was significant

Christchurch

- Substantial direct impact
- The Star was vital
- The Star has been reinvented - now a bi-weekly tabloid with local content and repurposed content from NZ Herald and other APN media
- Digital uptake was huge - nzherald.co.nz - #1 website with 32.1m page impressions and + 500% uplift in both Twitter and Facebook traffic

2011 Divisional Update

Publishing

- Circulation up, readership up, NZ economy challenged
- nz.herald.co.nz, iPad app and iPhone app all leaders
- Reach in NZ high with 2.5m or 73% of NZ aged 15+ each week
- ARM recovering from flood impact – focus on costs

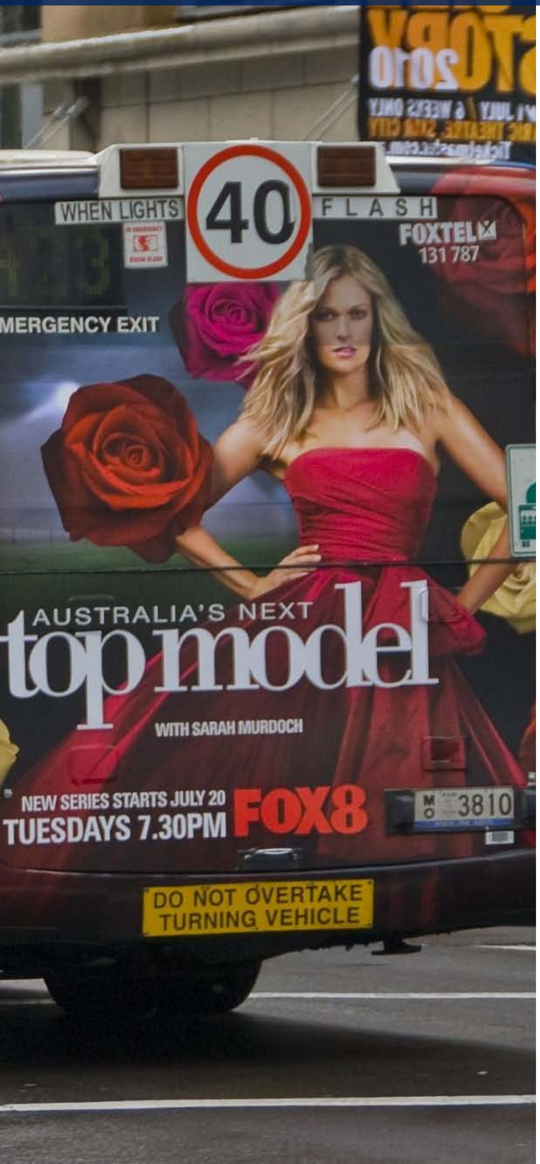
Outdoor

- Strong 2010 and has taken momentum into 2011
- Leadership positions Australia, NZ, Hong Kong and Indonesia
- High growth market conditions
- More to come – digital focus

Radio

- Restructure – management, programming
- Early success - Mix 106.5 breakfast team and WSFM breakfast team
- TRN has 49.9% 10+ audience share in Auckland and 4 of top 5 stations

CEO First 100 Days



Repositioning for growth and change is underway

APN has:

- Strengthened the leadership team
  - Chief Development Officer, Director of Corporate Affairs
  - Director of Strategy, Director of Content, Director of Product
- Commenced organisational change to execute plan
  - Established the Business Development Office
  - Created and filled capability gaps
  - Increased shareholding in GrabOne to 75%
  - Acquired OGGI billboards in NZ
- Established a robust strategic framework with a strong emphasis on ROI, growth and value

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Strategic Direction

- The media landscape is rapidly changing
- APN positioned to take advantage of opportunities
- APN core focus:
  - Drive operational excellence to deliver best in class operating performance while growing revenue
  - Deliver earnings momentum in existing businesses by driving business improvement initiatives
  - Grow by taking bold, but measured steps to where value is emerging in the market
- All decisions are made from a digital perspective

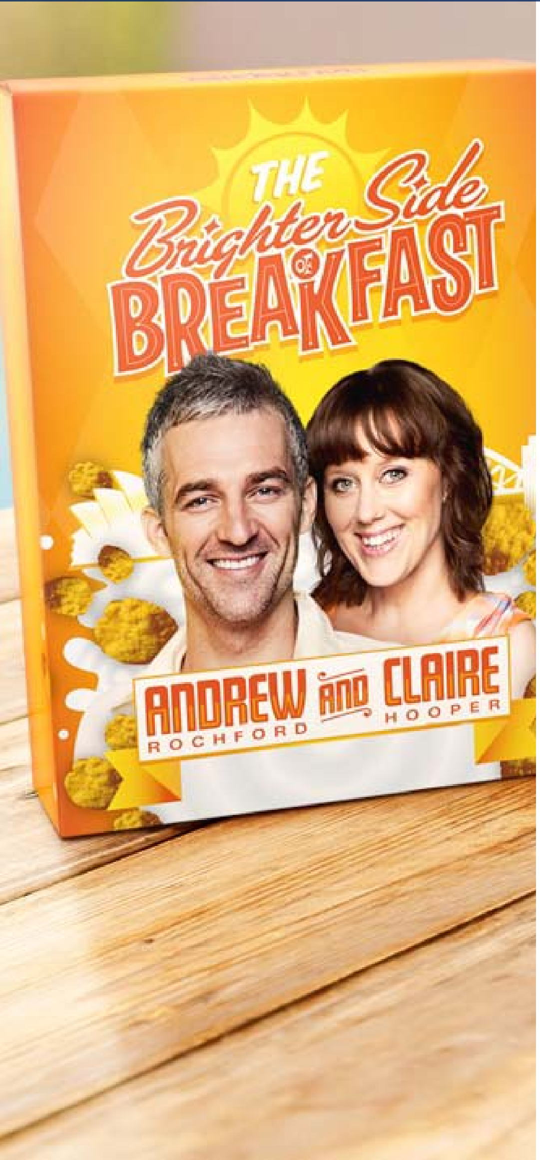
Digital Game Plan

- Building robust digital capabilities is critical to APN's success
- APN's existing assets are strong and progressive
  - nzherald.co.nz and ipad app
  - GrabOne
  - TRN's ZM iphone app
  - ARN mobile app more than 400,000 downloads
  - APN Outdoor digital + free wifi on over 200 buses.
- Ramping digital growth in our current portfolio is key
- Taking positions in new digital opportunities that
  - complement existing business, or
  - have strong potential to be high growth, high value media businesses

Mobility

- The future of media is mobility – personal, portable, local, mobile
- Mobility is revolutionising commerce with location based services (Shopkick), transparent pricing (Shopsavvy), immediate gratification (iTunes) and group buying (Groupon)
- GrabOne
  - iPhone app has 500 to 750 downloads a week
  - .mobi site is getting 1,000+ visits per day
  - We will launch an android app in the coming days
  - Mobile products have greater focus than desktop products
- Going forward
  - receive information on deals based on exact location
  - redeem deals via mobiles which interact with merchant's POS
- Mobility is the key emerging theme in product development across APN's businesses

Summary



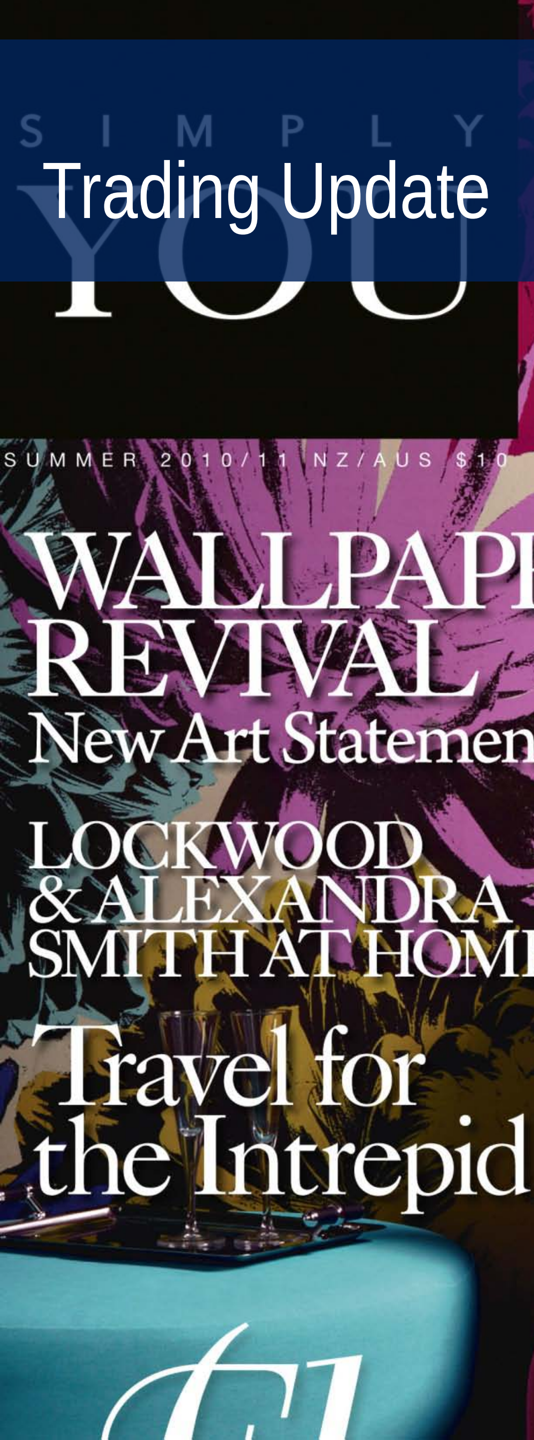
2010

- Revenue up 2.8% to $1,059m
- EBIT up 8.7% to $205.4m

2011

- Repositioning for growth
- Digital is a priority
- Natural disasters have had early impact
- NZ economy challenged
- Outdoor is flying
- Radio strong and operating well

Trading Update



April trading has remained consistent with the update on 21 March where we outlined the first quarter impact of the natural disasters in Queensland and Christchurch.

Despite some improvement in Queensland, earnings are still being impacted by the repercussions of the earthquake on an already weak New Zealand economy coupled with an extremely strong Australian Dollar. As a result it is now expected that the first half EBIT will be below last year by $15m-$20m. In response, APN has commenced a round of restructuring initiatives in our publishing operations. Significantly, Outdoor and Radio continue to trade ahead of the prior year.

Notwithstanding such a difficult start to 2011, APN's trading is anticipated to improve in the second half, although it is not expected that the full year result will match APN's 2010 earnings. This return to positive earnings momentum will ensure the continuity of dividends and most importantly, enable the pursuit of growth-orientated initiatives.

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