

Shareholder Review 20 14

APN NEWS & MEDIA LIMITED
ABN 95 008 637 643





In 2014, APN continued to evolve its business through integration, diversification and investment in growth categories.

Our goal for 2015 is to outperform in each of the markets that our businesses operate in. We have identified the regions, the audiences and the businesses where we want to invest.



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SHAREHOLDER REVIEW

20 14

AGM

Notice is hereby given that the Annual General Meeting of members of APN News & Media Limited will be held at the Four Seasons Hotel Sydney, 199 George Street, Sydney NSW 2000 on Wednesday, 6 May 2015 at 11am.



NEWS & MEDIA

APN NEWS & MEDIA LIMITED
ABN 95 008 637 643

Highlights

APN News & Media is a growth oriented media, entertainment and technology company with assets in Australia, New Zealand and Hong Kong.



iHeartRadio

632,052
REGISTERED USERS
IN AUSTRALIA
AND NEW ZEALAND

864,473
MOBILE DOWNLOADS



Australian Radio
Network

**LARGEST
AUDIENCE**
OF ANY METROPOLITAN
RADIO NETWORK IN
AUSTRALIA

#1 FM SYDNEY
STATION

#1 ADELAIDE
STATION

#1 BRISBANE
STATION
in 7/8 surveys



Hong Kong Outdoor
Buspak and Cody

1,700
HONG KONG
ISLAND BUSES



60
Signature buses
with integrated
media offerings



1,200
buzplay multimedia
installations

OVER 160
BILLBOARDS



SIX
prime locations



ADSHEL

LARGEST
SCALABLE DIGITAL
NETWORK IN
THE COUNTRY



92%
of Australians
each fortnight



83%
of the New Zealand
population

ALMOST
20,000
ADVERTISING PANELS



**New Zealand Media and
Entertainment
NZME.**

3.1 MILLION
NEW ZEALANDERS
EACH MONTH

The New Zealand Herald
is the country's

**#1 NEWSPAPER
PUBLISHER**

Newstalk ZB is the country's

**#1 RADIO
STATION**

Radio Sport is the country's

**#1 DEDICATED
SPORTS
STATION**

Coast is the country's

**#1 MUSIC
STATION**

**LEADING
DEALS SITE
(GRABONE)**



**Australian Regional
Media**

1.5 MILLION
PEOPLE EACH WEEK



12
daily newspapers



60
community
and non-daily
publications

**#1 MEDIA
BRANDS**

in the regional Queensland
and northern New South
Wales markets they
operate in

About APN

APN evolve

In 2014, APN continued to evolve its business through integration, diversification and investment in growth categories.

From wholly owning three out of nine businesses at the end of 2013, today APN wholly owns six out of seven businesses.

During the year, APN completed a number of key transactions to move into this position including:

- the divestment of eCommerce business brandsExclusive
- the sale of our remaining 50% interest in APN Outdoor
- the acquisition of the remaining 50% interest in The Radio Network (TRN) in New Zealand and the Australian Radio Network (ARN) in Australia that we did not own
- the acquisition of the remaining 50% interest in the Hong Kong Outdoor businesses, Buspak and Cody, that we did not own
- the acquisition of 96FM in Perth which gives ARN a five capital city presence

In May 2014, APN combined its market-leading New Zealand businesses, APN NZ Publishing, TRN and GrabOne, into one operation. In September 2014, the combined entity was launched as New Zealand Media and Entertainment or, NZME.

APN today

Today, APN has assets in Australia, New Zealand and Hong Kong.

In Australia, APN owns leading radio business ARN – home to the KIIS and Pure Gold networks; as well as regional media company Australian Regional Media (ARM).

APN also owns NZME, New Zealand's premier media and entertainment company which operates some of the country's leading publishing, radio and eCommerce brands including The New Zealand Herald, Newstalk ZB and GrabOne.

APN's Hong Kong businesses, Buspak and Cody, specialise in outdoor, billboard and transit media advertising.

Australian and New Zealand outdoor advertising business Adshel continues to be operated as a joint venture with Clear Channel, our partner of over 10 years which has extensive outdoor assets around the world.

APN provides relevance and connectivity with large-scale, quality audiences through brand, content and technology channels.

Operating in the growth markets of music, entertainment, community news and information, APN offers advertisers and audiences a combination of assets no other media company can offer.

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This year's result has continued APN's positive momentum and reflects strong market performances in what have been increasingly challenging conditions.

Michael Miller

Chief Executive Officer

APN full year results market announcement
12 February 2015

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APN's strategy

Our strategy is underpinned by our strongest assets — our brands and people. We connect large, quality audiences through our brands, content and technology and engage advertisers with these large audiences by providing integrated and customised business solutions. Having strong relationships and creating an environment that enables great results is central to our success.

BRANDS & PEOPLE



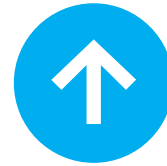
We will continue to **grow audience engagement** by responding to the changing needs of our consumers and advertisers.

We will continue to **diversify our revenues**, creating new commercial opportunities and building market share through expanding operations.

We will continue to **optimise integration** that results in revenue growth, cost savings and operational synergies.

We will continue to **invest for growth** in initiatives and opportunities that enable us to increase share and outperform the markets we operate in.

Results highlights



25%

Net profit after tax before exceptional items up 25%



342%

Statutory net profit after tax up 342%



11%

Increase in digital revenue



Strong earnings growth and market share gains in Australian radio

Statutory net profit after tax	\$11.5m
EBITDA*	\$164.1m
NPAT**	\$74.7m

* From continuing operations and before exceptional items

** Before exceptional items

CHAIRMAN'S REPORT



Today, APN is well positioned to achieve its transformation goals. We have a very capable management team that has demonstrated their ability to deliver.

Peter Cosgrove
Chairman
APN News & Media

In 2014, we continued to make good progress to reposition APN for growth.

Investing in growth assets

Together with the equity raising of \$132m and the sale of APN Outdoor, the Company acquired the 50 per cent of the Australian Radio Network (ARN) and The Radio Network (TRN) in New Zealand that we did not already own. Subsequently, we acquired 96FM in Perth which, when integrated into ARN, completed our five capital city FM radio offering.

One of our next growth opportunities will be in South East Asia. We have started on that journey by acquiring all of the Buspak and Cody outdoor operations in Hong Kong. This is a business and country we have more than 10 years' experience in. In addition, the iHeartRadio platform is growing very fast and has a number of opportunities in Asia.

These transactions confirm the Board's strategy to invest in radio and outdoor as growth businesses.

As a result of those changes to our business portfolio, our radio and outdoor assets now represent just over 60 per cent of our proportionate earnings, which in turn has reduced publishing to under 40 per cent.

In New Zealand, we are well advanced in merging all of our media assets into one integrated business under the brand NZME, which will operate primarily from a single location in each of its local markets. This will enable us to capture both revenue and cost synergies with a strong investment in the business' digital future.

Strong management team

There is still a lot to do and the Board has continued confidence in APN's management team under the leadership of Michael Miller as CEO of the Group, ably supported by Jeff Howard as APN's CFO, Ciaran Davis heading our Australian radio division, Jane Hastings leading our New Zealand operations, Rob Atkinson running Adshel and Neil Monaghan overseeing our regional publishing business in Queensland, who are aligned in our vision to continue APN's growth strategy.

It is pleasing to see that our share price is reflecting the changes the Company is adopting. Emphasis will continue to focus on generating cash flows and investing in growth assets so we can deliver value for our shareholders.

The media business remains subject to many challenges and continues to undergo change at a fast rate. Given this environment, the Company must and will embrace transformation.

Financial result

I am encouraged by the result APN delivered in 2014 with NPAT attributable to shareholders up 25 per cent on the prior year to \$74.7m (before exceptionals and non-recurring items). This is an improvement on 2013's performance which was in itself, a solid result.

The Board has decided not to pay a dividend at this time in line with the Company's commitment to reducing debt and improving the balance sheet.

In September, the refinancing of APN's debt facilities was completed a year ahead of the scheduled expiry date with the new facility in place until 2018.

Given the pace of change we are seeing in media, we must and will continue to embrace transformation.

Audit tender

Earlier in 2015, APN conducted an audit tender. Consistent with the Board's strategy to deliver strong corporate governance, the purpose of the tender was to ensure that the Board can continue to provide shareholders with an independent and quality audit of management and the organisation's financial operations. We are pleased to retain PwC as APN's audit firm.

Thank you

On behalf of the Board, I would like to thank all APN employees and shareholders for their continued support and look forward to reporting on further progress.

Peter Cosgrove
Chairman
16 March 2015



CHIEF EXECUTIVE OFFICER'S REPORT



2014 was an important year for APN as we continued to evolve our businesses with greater momentum.

Michael Miller
Chief Executive Officer
APN News & Media

Clear strategy

In 2014, we continued with the integration of our businesses and diversification of our revenue streams, with a particular focus on digital which now represents seven per cent of APN's overall revenues.

This is in line with our strategy of establishing APN as a growth oriented media, entertainment and technology company.

We are focused on four key areas:

- **Growing audience engagement** by responding to the changing needs of our audiences and advertisers through great journalism, talent, innovation and creativity;
- **Investing for growth** in initiatives and ventures that enable us to increase share and outperform the markets we operate in;
- **Optimising integration** to provide revenue growth, cost synergies and operational benefits; and
- **Diversifying our revenues** by leveraging our audiences and commercial capabilities to create new opportunities in growth segments and media markets.

This is underpinned by our strongest assets – our brands and people. We connect large, quality audiences through our brands, content and technology and engage advertisers with these audiences by providing integrated and customised business solutions. Having strong relationships and creating an environment that enables great results are central to our success.

Strong earnings growth

Our 2014 Group NPAT attributable to shareholders of \$74.7m (before exceptional items) rose 25 per cent from 2013. Our EBITDA result (before exceptional items) of \$164.1m was up one per cent from the previous year. One of the key drivers was the standout performance of our Australian radio division, Australian Radio Network (ARN), with revenue up 18 per cent for the year and 28 per cent in the second half compared to growth in the radio market of three per cent and five per cent respectively.

APN has had a positive start to 2015 and I am encouraged by the results we are achieving.

Businesses performing well

ARN had a particularly strong year in Sydney following the rebrand of its Mix station to KIIS 1065 and the repositioning of WSFM to Pure Gold. In 2015 Melbourne's Mix station was relaunched as KIIS 101.1, with the KIIS brand also replicated across ARN's stations in Adelaide and Brisbane. At the end of 2014, APN announced the acquisition of 96FM in Perth, completing ARN's national footprint and making it the number one metropolitan radio group in Australia by audience.

We are pleased with the results that the digital radio platform iHeartRadio has delivered in Australia and New Zealand, with the registered user base more than doubling to over 632,000.

Our New Zealand businesses, APN NZ Publishing, The Radio Network (TRN) and GrabOne, were combined and relaunched as NZME. In September as the country's premier media and entertainment brand. Jane Hastings, the previous CEO of TRN was appointed CEO of NZME. and has installed a new group management team and launched an

Our focus was on delivering improved earnings through investing in our growth assets of radio and outdoor. Importantly, just over 60 per cent of APN's proportionate earnings are now in growth media compared to 44 per cent 12 months ago.

integrated sales proposition which is resonating well with advertisers.

Australian Regional Media, or ARM, now has a bigger audience than at any other time in its history, experiencing audience growth of 15.8 per cent year on year. During 2014, ARM made good progress in growing local and digital revenues, being more efficient and diversifying into non-print areas.

Adshel, our out-of-home advertising company of which we share 50 per cent equal ownership with Clear Channel, delivered revenue growth for the fifth year in a row, while our Hong Kong outdoor businesses performed well in 2014. The outdoor advertising industry is strong in Australia and Asia, positioning Adshel and our Hong Kong businesses well for 2015. This gives us an opportunity to expand in Asia, utilising the strengthened executive team in Hong Kong.

Outlook

Our goal for 2015 is to outperform in each of the markets that our businesses operate in. We have identified the regions, the audiences and the businesses where we want to invest. I look forward to reporting to you on our successes in 2015.

Michael Miller
Chief Executive Officer
16 March 2015



OPERATING AND FINANCIAL REVIEW



Financial performance	Segment result		Exceptional items ³		Statutory result	
AUD million	2014	2013	2014	2013	2014	2013
Revenue before finance income	843.2	817.2	-	-	843.2	817.2
Other income	6.7	6.6	7.9	9.0	14.6	15.6
Share of associates' profits	11.3	10.6	-	-	11.3	10.6
Costs	(697.1)	(671.6)	(75.2)	(25.2)	(772.2)	(696.7)
EBITDA¹	164.1	162.8	(67.2)	(16.1)	96.9	146.7
Depreciation and amortisation	(33.3)	(33.0)	-	-	(33.3)	(33.0)
EBIT	130.8	129.8	(67.2)	(16.1)	63.5	113.7
Net interest	(36.1)	(37.9)	(4.3)	-	(40.4)	(37.9)
Tax	(11.7)	(6.0)	5.3	6.7	(6.4)	0.8
Profit/(loss) from continuing operations	82.9	85.9	(66.2)	(9.4)	16.7	76.5
Profit/(loss) from discontinued operations ²	(0.6)	(0.7)	3.0	(48.1)	2.4	(48.8)
Net profit/(loss) after tax	82.3	85.2	(63.2)	(57.6)	19.1	27.7
Profit/(loss) attributable to APN shareholders	74.7	59.5	(63.2)	(56.9)	11.5	2.6
Non-controlling interests	7.6	25.7	-	(0.6)	7.6	25.1
	82.3	85.2	(63.2)	(57.6)	19.1	27.7

(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) Refer to note 4 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 \$11.5m, up from \$2.6m in 2013. The profit attributable to shareholders before exceptional items was \$74.7m, up 25 per cent from 2013's profit of \$59.5m. Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations and before exceptional items was up one per cent from the corresponding period to \$164.1m, with revenue from continuing operations up three per cent to \$843.2m. Cash inflows before the impact of acquisitions and disposals were \$65m, in line with the target of \$60m to \$70m. A portion of this was used to complete the refinancing of the Company's debt facilities, which sees the new facility expire in 2018, and to purchase further radio licences in New Zealand.

The 2014 results reflect solid market performances from our divisions in what has been increasingly competitive conditions. One of the key drivers was the standout performance of APN's Australian radio division, Australian Radio Network, where revenues were up 18 per cent for the year. In addition, Adshel delivered revenue growth for the fifth year in a row, while our publishing businesses achieved \$17m in cost savings, which was partially offset by reinvestment in the integration of APN's New Zealand businesses. Australian Regional Media has almost halved its rate of revenue decline, NZME. Radio delivered strong year-on-year growth with NZME. eCommerce recording a stronger second half performance.

The table on page 10 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 non-recurring costs include the impairment of \$50m relating to the NZME. Publishing mastheads, costs of the ongoing restructuring of our publishing businesses and one off project costs relating to the refinancing and NZME. Further details are included in note 4 to the financial statements.

A review of each of the businesses is outlined in the following pages.



Investing in growth

During 2014, APN's focus was on delivering enhanced earnings through investing in its growth assets of radio and outdoor, while identifying synergies, optimising cash flow and managing costs across all its businesses.

The results of the transactions outlined on page 4 combined with individual business performances show that over 60 per cent of APN's proportionate earnings now come from growth assets, in turn showing that the share of publishing earnings has reduced.

APN also continued with the integration of its businesses and diversification of its revenue streams with a particular focus on digital revenues which made positive progress over the past 12 months.

Digital and iHeartRadio

APN's continued focus on digital was reflected in its financial result which saw its digital revenues grow 11 per cent to \$59m, making up seven per cent of total revenue.

APN's free, all-in-one digital radio service and events platform iHeartRadio also delivered pleasing results in 2014. Its registered user base across Australia and New Zealand grew 184 per cent to 632,052, with more than 864,473 people downloading the app.

The growth was driven in part by an increase in iHeartRadio live experiences.

Balance sheet and cash flow

The Group had net assets at 31 December 2014 of \$472m, which includes \$458m in net debt. The Group's debt facilities were refinanced during the year and the facilities now mature in 2018. The balance sheet has been impacted by the significant transactional activity in the year. The purchase of the remaining 50 per cent of both the radio business and the Hong Kong outdoor business has significantly reduced the non-controlling interests in the balance sheet. The parent entity's interest in assets increased from \$362m at 31 December 2013 to \$437m.

Cash flow before the impact of acquisitions and disposals was \$42m, including over \$22m incurred on one off projects and the acquisition of radio licences in New Zealand. Before these one off cash out flows, the cash generated was in line with our target for the year of between \$60m and \$70m.



OPERATING AND FINANCIAL REVIEW

NZME.

Every month, NZME reaches 3.1m New Zealanders through its market leading brands including the country's number one newspaper, The New Zealand Herald, the country's leading talk station, Newstalk ZB and the leading deals site, GrabOne.

Business overview

In September 2014, APN launched New Zealand Media and Entertainment – or NZME. – which combines the three APN New Zealand businesses of APN NZ Publishing, The Radio Network and GrabOne into one of the country's leading media operators.

As New Zealand's leading publisher, NZME. Publishing connects with over 2.2 million people every week via print, desktop and mobile. Its portfolio includes the country's flagship newspaper, The New Zealand Herald, along with six other daily newspapers, 23 non-daily newspapers and over 20 websites, mobile sites and apps. NZME. Publishing also publishes three magazines under licence from Pacific Magazines Group Australia, being New Idea, Girlfriend and That's Life.

NZME. Radio operates three of the top five national networks – Newstalk ZB, The Hits and Coast – in addition to popular radio networks including ZM, Hauraki, Flava and Radio Sport. In total, NZME. Radio operates seven stations covering key commercial demographic groups in New Zealand. NZME. Radio also leads with its digital radio platform iHeartRadio.

NZME. eCommerce includes GrabOne, New Zealand's leading deals site. Through combining purchasing power, customers get to experience great local businesses while saving money. Launched in July 2010, GrabOne quickly became New Zealand's leading deals site. GrabOne has also diversified its offer, including GrabOne Escapes, GrabOne Bottle, ShopViva and ShopGreen.

In 2015, NZME continued to grow its offering launching its NZME. Events and NZME. Experiential divisions.



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NZME has commenced the integration of the New Zealand business units and is well-placed to deliver growth in revenue and audience.

Jane Hastings
NZME. CEO

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Images below
left to right:
ZM Breakfast
team's Fletch,
Vaughn & Megan,
NZME Radio's
Mike Hosking

NZME. is the home to
the country's #1
newspaper.



OPERATING AND FINANCIAL REVIEW

NZME.

The integration of NZME.

For the first time, APN is reporting on the combined performance of its New Zealand operations as NZME.

NZD million	2014	% Change	Like for like*
Revenue	445.8	(6)%	(2)%
Costs	(364.2)	(5)%	0%
EBITDA	81.6	(11)%	(10)%

* Like for like adjusts for disposal of Wellington and South Island titles in 2013 and Magazines in early 2014.

Total revenues were down six per cent to NZ\$445.8m while EBITDA was down 11 per cent to NZ\$81.6m.

Earnings growth in radio were offset by declines in publishing and eCommerce.

NZME. Publishing experienced an improved second half

NZD million	2014	% Change	Like for like*
Revenue	298.1	(10)%	(4)%
Costs	(246.0)	(9)%	(2)%
EBITDA	52.1	(17)%	(15)%

* Like for like adjusts for the sale of the Wellington and South Island newspapers in 2013 and Magazines in February 2014.

NZME. Publishing saw an improved second half performance with H2 revenue decline at eight per cent compared with a first half decline of 13 per cent.

NZME. Publishing circulation revenue was flat year on year, a satisfying result that reverses declines from previous years. The New Zealand Herald and several regional titles showed good year-on-year circulation improvements. In August 2014, NZME commenced an agreement with Fairfax Media which sees the two businesses share a printing facility in Ellerslie. The agreement is delivering ongoing synergies and cost efficiencies.

Digital audience to The New Zealand Herald grew 25 per cent year-on-year while video views across NZME. Publishing sites grew 32 per cent.

NZME. Publishing is on track to launch the first stage of its paid content model this year.

NZME. is home to the country's #1 radio station and leading deals site.



NZME. Radio had another year of growth

NZD million	2014	Change (% local currency)
Revenue	127.0	5%
Costs	(101.9)	5%
Segment EBITDA	25.1	7%

The first half of 2014 saw the NZME radio network invest in new branding for its stations ZM and The Hits, the launch of Mix98.2 in Auckland and new talent across its network. The division delivered a solid revenue performance for the full year driven by strong direct revenues which grew eight per cent for the year.

Video views across its radio sites almost doubled, while also recording a 102 per cent increase in audience and a 72 per cent increase in engagement per user.

In December 2014, the New Zealand Government auctioned a number of radio licences previously being leased to radio broadcasters. NZME invested NZ\$7.8m in securing licences. While this impacted cash flow, the investment was essential to ensure transmission to all major cities in the country and consolidate the position of NZME's Newstalk ZB as the country's number one radio station.



Image: The Hauraki Breakfast team's
Matt, Jeremy & Laura

NZME. eCommerce experienced a challenging 2014

NZD million	2014	Change (% local currency)
Revenue	20.7	(4)%
Costs	(16.3)	2%
Segment EBITDA	4.4	(22)%

NZME. eCommerce, which incorporates GrabOne, saw a stronger second half due to the staged release of an upgraded operating system that make deals more accessible across platforms and a diversification of its business and revenues through close alignment with NZME's other businesses. This included the launch of ShopViva, ShopGreen and True Commercial, partnerships with The New Zealand Herald which saw the publisher connect its well-known media brands and content with GrabOne's eCommerce platform.

2015 and beyond

The integration of the New Zealand operations represents an important part of APN's New Zealand strategy, which is focused on fully realising the power of the combined content, audience and eCommerce capabilities within the business.

Part of this included the appointment of a new group management team, led by chief executive officer Jane Hastings, with responsibility for the overall operations of the combined businesses; and the launch of an integrated sales approach which provides clients access to integrated advertising packages that leverage NZME's extensive audience segments across News, Sport and Entertainment as opposed to single channels. This approach is already delivering and is expected to continue delivering strong results.

In addition, later this year, the Auckland-based teams will be co-locating, opening up even more synergistic opportunities and increasing collaboration across NZME.

Since the launch of NZME, the business has made encouraging progress in accelerating the benefits from its integration process, in particular through its combined sales offering, diversification of the GrabOne platform aligned with other NZME brands, content collaboration across the business to grow audiences and a new combined digital team to drive NZME's video offering.

In 2015, NZME will continue to identify integration opportunities that drive revenues and efficiencies.

OPERATING AND FINANCIAL REVIEW

Australian Regional Media

With 12 daily newspapers, 60 community newspapers and non-daily publications and over 30 web and mobile sites, Australian Regional Media is the leading publisher in regional Queensland and northern New South Wales.

Business overview

Australian Regional Media (ARM) engages over 1.5 million people each week across its suite of print, desktop and mobile sites.

ARM's unique proposition is based on its commitment to creating the most relevant and engaging local content across print and digital channels in its markets. With an emphasis on evolving how this content is monetised, ARM has expanded its products to include fully integrated campaigns for clients across all its market leading media properties. Further revenue diversification strategies have seen ARM leverage these strong local relationships to now include events and digital marketing services in their product offering.

For many of its local communities, ARM's media brands are the pre-eminent source of trusted and relevant local news and information; as well as the leading provider of local business solutions.

Decline in revenues continue to moderate

AUD million	2014	Change
Revenue	202.1	(7)%
Costs	(177.1)	(5)%
Segment EBITDA	25.0	(16)%

Cost savings: ARM realised \$10m in cost savings in 2014

The priority for ARM in 2014 was on growing local and digital revenues, being more efficient and diversifying into non-print areas.

ARM's EBITDA was down \$4.7m to \$25.0m compared to a \$9.0m decline in 2013. Its revenues were down seven per cent to \$202.1m which is almost half the rate of decline year-on-year. At the same time, the business realised \$10m of cost savings from back end operations and administration.

ARM now has a bigger audience than at any other time in its history, experiencing an audience growth of 15.8 per cent year-on-year. It owns eight of the top ten performing daily newspapers in Australia by year-on-year circulation change. Weekly print readership grew 3.4 per cent. This is a strong result in a challenging market and demonstrates the strength in regional media companies and the deep connections they share with their audiences and advertisers.

With an increased focus and investment in digital, ARM's digital audience experienced strong growth with mobile, social and online audiences all up substantially year-on-year. This resulted in a flow-on effect of increased digital revenues which were up 39 per cent year-on-year.

The closure of ARM's Toowoomba printing facility in 2015, continuing the Company's print site rationalisation program from seven sites to three, will deliver further production efficiencies and cost savings.



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ARM's achievements in 2014 reflect our commitment to connecting and enriching the local communities we serve.

Neil Monaghan
ARM CEO

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Regional advertising market remains resilient

Local advertising revenues were resilient, down just two per cent with the combination of local and classified revenues now making up 78 per cent of total advertising revenue. Overall advertising revenues, however, remain challenging due to soft national advertising revenues and uncertain growth in the Queensland market.

To address the soft national agency conditions, in September, ARM repositioned its brand and advertiser proposition to better educate media agencies on its offering. The new local-to-local positioning clearly reflects what ARM can deliver to national advertisers across platforms – mass localisation alongside local, trusted and engaging content.

Diversification and 2015

In 2014, ARM launched a number of new initiatives including partnering with local businesses to offer programmatic trading as well as digital marketing and event services. It also added specialist titles to its portfolio of publications, which are generating new revenues from new audiences. These new strategies have increased ARM's capabilities as a local business partner for its communities.

There will be a continued focus to grow revenues in these diversified areas, while simultaneously delivering strong publishing revenues.

PEOPLE • EASY EATING • BOOKS • DIY • GARDEN • TRAVEL • ENTERTAINMENT • FASHION • HOME

Weekend

BIG EVENT: HERITAGE BANK TOOWOOMBA AG SHOW DRAWS A CROWD: P. 67

The Chronicle

WEDNESDAY, SEPTEMBER 3, 2014 READ BY 57,000 PEOPLE EACH WEEK

Qantas swoops first at Wellcamp

Opinion: Vision becomes reality

MAKE // Cheaper storage space with a 100 per cent profit to be had in one afternoon

SCREEN LIFE // Meet the director of the Manta movie as she takes over the studio

STAGE 1 SOLD OUT

STAGE 2 & 3 SELLING NOW

BRAND NEW VILLAS SELLING FROM \$280,000

OAK TREE

1200 347 155 124 BAKER STREET, DARLING HEIGHTS www.oaktreetowoomba.com.au

OPERATING AND FINANCIAL REVIEW

Australian Radio Network

Following the acquisition of 96FM, the Australian Radio Network now has the largest audience of any metropolitan radio network in the country.

Business overview

The Australian Radio Network (ARN) is one of the leading broadcasters in the country with ownership or investments in 13 radio stations nationwide and is home to the national KIIS and Pure Gold networks. The KIIS network consists of KIIS 106.5 Sydney, KIIS 101.1 Melbourne, 97.3 Brisbane, Mix102.3 Adelaide and 96FM in Perth. Each station delivers energetic and celebrity content, alongside music, that reflects the best that each city has to offer, and features some of Australia's most well-known and successful personalities. Some of its high-profile radio announcers include Kyle and Jackie O and Hughesy and Kate. The network targets females 25-44.

The Pure Gold network, targeting the lucrative Gen X demographic, reflects the music audiences want to hear from the 80s, 90s and 2000s, that instantly makes you feel good and transports you back to those memories you have created throughout your life. Pure Gold stations offer content that is contemporary, confident and current.

In January 2015, APN acquired 96FM in Perth, giving ARN a five capital city presence.

Increased audience share led to increased revenue

While the Australian radio market grew three per cent in 2014, ARN revenues grew 18 per cent to \$180.9m while EBITDA grew 14 per cent to \$66.5m, marking ARN's most successful year to date.

ARN's 2014 result follows three years of growth and is a credit to ARN's chief executive officer, Ciaran Davis, and the ARN team who have worked hard to attract high-profile talent, intelligently invest in effective marketing strategies and create strong brands which resonate well with their audiences.

In Sydney, ARN considerably grew audience share. Its WSFM and KIIS stations finished the year as the number one and two FM stations from being number four and six in 2013 – a rewarding result in the country's most commercially lucrative market.

In Adelaide, ARN continued its leadership position with Mix 102.3 finishing the year as the number one station in the city while in Brisbane, 97.3 was the number one station in 2014 for seven out of eight surveys. ARN's stations in Adelaide and Brisbane have consistently delivered strong and growing ratings performances over the years.



“

It is pleasing to see ARN achieve its objective of becoming Australia's number one metropolitan network in 2014.

Ciaran Davis
ARN CEO

”



In 2014, ARN increased its audience share in every market

Image: WSFM's Pure Gold Breakfast Team Jonesy and Amanda

2014 - Australia's standout media performer

ARN had a particularly strong year in Sydney following the rebrand of its Mix station to KIIS 1065 and the repositioning of WSFM to Pure Gold. In addition to finishing number one and two respectively in the market, the stations' breakfast teams, Kyle and Jackie O and Jonesy and Amanda finished number one and two in their breakfast timeslots, demonstrating ARN's pre-eminence in Sydney.

Following this success, ARN relaunched its Melbourne Mix station as KIIS 101.1 this year, signing Matt Tilley to join existing co-host Jane Hall as breakfast presenters. The highly successful radio team of Dave Hughes and Kate Langbroek have also joined the network as hosts of KIIS's national drive program.

In November 2014, the KIIS brand was replicated across ARN's Mix stations in Adelaide and Brisbane, ensuring a clear, commercial proposition for national advertisers.

Driven by the success of ARN's programs, the network delivered big increases in social media and digital audiences. Across its social media sites, ARN has a collective audience of over 1.4 million. In December 2014, the network's Facebook sites alone recorded a reach of six million people. Average monthly audiences to ARN's websites increased 253 per cent year on year to 1.3m.

2015 and beyond

In 2014, ARN's objective was to become the number one metropolitan network in the country. At the end of 2014, APN announced the acquisition of 96FM in Perth, giving ARN a five capital city presence. Following the success of its stations in 2014, as well as the acquisition, ARN is now the number one metropolitan network in the country by audience.

With 96FM, ARN now offers national advertisers a complete and easy platform to reach the commercially lucrative females 25-44 and all people 25-54 demographics. In 2015, ARN will work with advertisers in realising the commercial benefits of the acquisition, as well as the new Melbourne KIIS offering. There will also be a continued focus on delivering integrated, multi-platform campaigns for advertisers.

Australian Radio Network

AUD million	2014	Change
Revenue	180.9	18%
Costs	(114.4)	21%
Segment EBITDA	66.5	14%

OPERATING AND FINANCIAL REVIEW

Outdoor

APN now wholly owns leading Hong Kong outdoor companies, Buspak and Cody, and continues to have 50 per cent ownership in leading Australian and New Zealand outdoor advertising company Adshel.

Overview of businesses

Buspak and Cody

In July 2014, APN acquired the remaining 50 per cent of Hong Kong outdoor businesses Buspak and Cody that it did not already own.

Buspak manages and operates exterior and interior advertising inventory on all 1,700 Hong Kong Island buses through the New World First Bus contract; while Cody has a portfolio of over 160 billboards across Hong Kong including in six prime locations.

Adshel

Adshel specialises in roadside, retail, digital, rail and petro-convenience advertising across Australia and New Zealand. Its almost 20,000 advertising panels reach 92 per cent of Australians each fortnight and up to 83 per cent of the New Zealand population.

Hong Kong Outdoor

AUD million	2014	Change
Revenue	49.9	6%
Costs	(45.2)	(1)%
Segment EBITDA	4.7	159%



Hong Kong Outdoor performance solid

Buspak and Cody performed well despite challenging market conditions during the Occupy Central protests in Q4.

In 2014, EBITDA grew to A\$4.7m, due in part to contract improvements, while overall revenue was up six per cent to A\$49.9m. The revenue increase is partly attributable to improving Buspak's buzplay revenues; as well as the creation of a mega billboard format and the expansion of non-exclusive billboard sites. In December, Buspak launched an additional 30 Signature Buses with integrated advertising capabilities increasing premium inventory opportunities.

2015 and the potential of the Asian outdoor advertising market

The collective South East Asian, Hong Kong and Chinese outdoor advertising market has grown 24 per cent over the last four years and is forecast to grow a further 46 per cent over the next four years. This growth represents an opportunity for APN to expand across the region, utilising the APN team in Hong Kong.

In H2, APN appointed two new senior executives to its team in Hong Kong. Patrick Chaundy was appointed to lead and identify expansion opportunities in other Asian outdoor advertising markets, while Sammy Choi was appointed chief financial officer.

There are a number of opportunities APN is exploring in this space.

Buspak's contract with New World First Bus concludes in June 2015. APN submitted tender documents for the next contract, up to 2020.



Adshel

AUD million	2014	% Change	Like for like*
Revenue	147.2	(1)%	4%
Costs	(110.2)	1%	8%
EBITDA	37.0	(7)%	(6)%

* Like for like adjusts for sale of Adshel Infrastructure and Town and Park at end of 2013.

Adshel experiences fifth consecutive year of revenue growth

Adshel revenue increased four per cent to \$147.2m while EBITDA fell six per cent to \$37m (after adjusting for the impact of the sale of the Adshel Infrastructure and Town and Park businesses at the end of 2013). The business experienced a challenging H1 due to investments made in the half, primarily being rental payments for its Sydney Trains contract commencing a number of months prior to the rollout, and monetisation of digital inventory.

Adshel delivered a stronger H2 with revenue up eight per cent and EBITDA up six per cent from H1. This improvement was due in part to the appointment of senior executives in Sydney as well as the retention and acquisition of key commercial contracts in Sydney and Adelaide.

In addition, Adshel completed its first stage rollout of the Sydney Trains digital network which has opened up new, customer-enhancing opportunities for outdoor commuter advertisers including scent, sound and augmented reality.

Adshel's New Zealand revenues were up eight per cent for the year.

The Group received dividends totalling \$9.5m from Adshel during the year.

2015 and the expansion of digital capabilities

The outdoor advertising industry outperformed the market every month in 2014, increasing 10 per cent on average throughout the year versus a flat overall advertising market.

Adshel is well positioned for growth. Of the total out-of-home revenues in 2014, roadside accounted for the largest share of revenue at 33 per cent, while digital out-of-home revenues grew 66 per cent over the year to represent 18.8 per cent of total outdoor advertising revenues.

In 2015, Adshel is focused on expanding its digital capabilities. It has already announced the launch of its national beacons program, begun the expansion of its digital screens across the Sydney Trains network and will continue to invest in business systems to enable a wider rollout of outdoor programmatic sales.



“

To achieve a fifth consecutive year of revenue growth in such a competitive sector is truly remarkable.

Rob Atkinson
Adshel CEO

”

CORPORATE SOCIAL RESPONSIBILITY

Supporting the communities who support APN

APN shares a deep relationship with its audiences and as a trusted and leading media operator, plays an important role in supporting its communities through sponsorships, direct funding, community initiatives and contra-advertising.

APN and its divisions see great value in being part of the success of its communities and will continue to use their positions as community leaders to advance various initiatives and causes that benefit its audiences.

Raising funds for the community

For the second year running, APN, through its Adshel and ARN divisions, continued its sponsorship of the Gold Telethon which is the major annual fundraising event for the Sydney Children's Hospital. ARN delivered on-air and online activity across KIIS 1065 and WSFM which encouraged listeners to donate to the Telethon culminating in a special three hour live broadcast with Jonesy and Amanda on the day of the Telethon which continued to drive donations. Adshel developed and ran an extensive campaign across its street furniture and digital billboards to drive awareness of the campaign and thank all contributors.

NZME. Publishing ran key fundraising campaigns which raised funds for community initiatives. This included partnerships with Ronald McDonald House Charities, and the Starship Foundation in which \$215,000 was raised and donated to Starship Children's Health, a children's hospital in Auckland.

In New South Wales, ARM sponsors The Westpac Life Saver Helicopter, which requires \$3m a year from fundraising to function, to help drive fundraising activities for the organisation.

ARN also continued to support the Australian Children's Music Foundation, which provides music lessons and instruments to disadvantaged children.

Utilising assets for a good cause

Through their wide reach, APN's divisions provided non-profit organisations and charities contra-advertising.

NZME. Radio donated airtime to help drive awareness and donations for the For Everyone Charitable Foundation and the Starship Foundation; while ARN also donated creative and production resources as well as airtime to support charities such as the Fight Cancer Foundation, Open Minds Australia and the Cure Cancer Australia Foundation.

For the last 10 years, ARM's Sunshine Coast Daily has been an ongoing supporter and sponsor of the Daniel Morcombe Foundation which promotes child safety. In 2014, it continued to support the foundation through editorial coverage and advertising for major fundraising events such as the Walk for Daniel and Dance for Daniel.

Across its street furniture network and digital billboards, Adshel donated media spend to support a number of charities including UN LTD, Wesley Mission, SecondBite, the Children's Medical Research Institute, the Starlight Foundation, Step Back Think and ANZUP.

APN employees personally give back

APN empowers its employees to deliver the best they can in as many ways as they can. This approach extends to community initiatives.

NZME. eCommerce, through GrabOne ran a week-long donation campaign for the Auckland City Mission which was coupled with staff volunteering at the City Mission to help with the Mission's pre-Christmas drives.

In addition, NZME this year ran the inaugural APN McNally Classic fishing competition to honour the late Andrew McNally, group advertising director at APN NZ Publishing. Staff and clients gathered to remember Andrew and contribute to the improvement of men's health.

Adshel implemented an employer funded employee charity donation benefit which gives each employee a day every year to support their charity of choice. Adshel also donates \$250 to each employee's selected charity.



Adshel's panel execution to support the Gold Telethon

Case study

Pride of New Zealand Awards



In 2014, NZME launched the Pride of New Zealand Awards as a unique way to celebrate the uplifting and inspiring behaviour that often goes unrecognised in the community. The Awards give the public the opportunity to nominate ordinary people, whose courageous and selfless actions help build a better New Zealand.

From 700 nominations, 72 regional finalists, 24 national finalists and six national winners were recognised at a national event in September.

Case study

Adopt-a-Family Christmas Appeal



For over 20 years, ARM's Sunshine Coast Daily has been running its Adopt-a-Family Christmas Appeal. The Appeal seeks to brighten the lives of families facing adversity by providing Christmas hampers for them over the festive season. Between 800 and 1000 families facing adversity are nominated by local charities and listed for 'adoption'.

Over the duration of four weeks, the Sunshine Coast Daily encourages its community, through editorial and advertising, to sign up, 'adopt a family' and put together a Christmas hamper of gifts and goods to share with their selected families.

SENIOR MANAGEMENT TEAM



Michael Miller

Chief Executive Officer, APN News & Media

Michael Miller was appointed APN News & Media's Chief Executive Officer in June 2013. He has over 15 years of experience working in senior executive roles in the media industry. Michael was previously the Regional Director for News Corp Australia in New South Wales, the Managing Director of Advertiser News Media from 2004 to 2010, and News Corp Australia's Group Marketing Director from 1997 to 2004 involved

in all aspects of marketing across News Corp's 11 divisions in the region. Michael was a Director of News Corp Australia from 2004 to 2013 and a previous Director of Fox Sports Australia and carsguide.com.au, and a Director of Sky Network Television Limited from 2003 to 2013. He is currently the Chairman of The Newspaper Works and a Director of the Committee for Sydney and of Waratahs Rugby.



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.



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). Yvette is a Member of the Media and Communications

Committee of the Law Council of Australia, has completed the Company Meetings and Company Secretarial Practice courses with the Chartered Institute of Company Secretaries in Australia (now Governance Institute of Australia) and is a Graduate of the Australian Institute of Company Directors. She was admitted as a solicitor to the Supreme Court of New South Wales in 1987 and the High Court of Australia in 1988.



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.



Jane Hastings

Chief Executive Officer, NZME.

Jane Hastings was appointed Chief Executive Officer of NZME. in September 2014 following the formation of the division. Prior to this, Jane was Chief Executive Officer of The Radio Network which she joined 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 and Director of Communications at ICLP in Hong Kong. Before heading to Asia, Jane gained experience at Air New Zealand, working in operational, product and marketing roles.



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 to 2010), Chief Executive Officer for 98FM, Dublin (2003 to 2007) and Marketing Director for 98FM (2000 to 2003). Before joining Communicorp, Ciaran

worked with Irish Permanent PLC (1996 to 2000), leading their sponsorship activities of the Irish rugby team. Ciaran is a Director of Commercial Radio Australia and The Australian Ireland Fund.



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



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: Non-Executive Director, Chairman of the Board of Directors (from 19 February 2013), Chair of Nomination Committee, Allotment Committee and Options Committee (all from 20 June 2013).



Ted Harris AC

Deputy Chairman

Flnstd, 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 to 1987) and was previously Chairman of Australian Airlines, British Aerospace Australia, Australian National Industries, Thakral Holdings (1994 to 2012) and Gazal Corporation, Deputy Chairman of Metcash Limited and Chairman of Australian Radio Network. Mr Harris is 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 to 1990) and Chairman of the

Australian Sports Commission and Institute of Sport (1984 to 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 to 1980). He is a recipient of the Queen's Silver Jubilee Medal. He was inducted into the Sport Australia Hall of Fame in September 2013.

Responsibilities: Non-Executive Director, Deputy Chairman, Member of Nominations (from 10 March 2015) and Audit Committee, Chair of Audit Committee (until 16 August 2013), Chair and Member of Remuneration Committee (resigned on 17 June 2014).



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 Health Limited, HBF General Insurance Limited, McCusker Foundation for Alzheimer's Research, and the Travel Compensation Fund. Appointed in 2012, she continues to serve on the Boards of Cuscal Limited, Pioneer Credit Limited, and TAL Superannuation Fund. 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, Bank of Singapore, 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 and Remuneration Committees (both from 20 June 2013).



Vincent Crowley

*Non-Executive Director
BA, FCA.*

Vincent Crowley was appointed to the 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 in 1997 and was appointed Chief Executive of Independent News & Media – Ireland in August 2002. In June 2009, he retired from the Board of INM 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.

In May 2014, he retired as Group Chief Executive Officer and Director of INM and a number of INM subsidiaries and associated companies. He remains a Director of a number of INM subsidiaries and is also a Director of News & Media New Zealand Limited. In July 2014, Mr Crowley was appointed Chairman of industry body National Newspapers of Ireland.

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



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 previously a Director of Esat Telecommunications Limited, an Irish telecommunications company (1997 to 2000) and then a Director of Digicel Limited, a Caribbean-based telecommunications company. From 1987 through 1991, he 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, Melita Cable PLC, Tetrarch Capital Limited (since August 2014) and in October 2010 he was invited to become an external Senior Advisor to Credit Suisse. Mr Connolly holds a Bachelor of Commerce degree 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 and Nomination Committee (both from 20 June 2013).



Peter Cullinane

*Non-Executive Director
MBA, MMgt.*

Peter Cullinane was appointed to the APN Board in November 2013. As the former Chief Operating Officer of Saatchi & Saatchi Worldwide (1998 to 2002) as well as the company's Chief Executive, New Zealand and Chairman, Australasia for over eight years prior, he is a respected force in global advertising and marketing who brings extensive industry knowledge, as well as expertise in Australasian and global markets, to the Board. 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 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 founder and Chairman of Lewis Road Creamery Limited.

Responsibilities: Non-Executive Director, Chair of Remuneration Committee (from 17 June 2014), Member of Remuneration Committee (from 4 December 2013).

FIVE YEAR FINANCIAL HISTORY

AUD million	2014 \$'m	2013 \$'m	2012 \$'m	2011 \$'m	2010 \$'m
Income Statement					
Total revenue	843	817	857	1,072	1,059
EBITDA ¹	163	158	156	209	243
Depreciation	33	35	34	38	39
EBIT ²	130	123	122	171	205
Net interest expense	36	33	41	56	50
Adjusted net profit ³	75	60	54	78	98.2
Statutory net profit / (loss)	11	3	(507)	(45)	94
Balance Sheet					
Equity excluding minority interests	437	362	350	876	962
Total assets	1,129	1,255	1,294	1,997	2,163
Total borrowings	497	457	486	670	720
Net debt	458	437	465	646	657
Statistical Analysis					
EBITDA/total revenue	19.3%	18.0%	16.8%	19.5%	22.6%
Net debt/EBITDA (times)	2.8	2.8	3.0	3.1	2.7
Earnings per share – basic (cents) ⁴	7.6	7.7	7.2	10.8	14.0
– diluted (cents) ⁴	7.6	7.7	7.2	10.8	14.0
Dividend per share (cents)	–	–	1.5	8.5	12.0
Dividend payout ratio ⁵	0%	0%	21%	79%	86%
Interest cover based on EBITDA (times)	4.5	4.8	3.8	3.7	4.9
No. of shares on issue ('000)	1,029,041	661,527	661,527	630,211	606,084
No. of shareholders	7,166	8,270	9,546	9,419	9,891
Market capitalisation (\$'m)	859	298	165	447	1,176
Market price per share at 31 December	\$0.83	\$0.45	\$0.25	\$0.71	\$1.94

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

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

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

(4) Earnings per share are before exceptional items and have been restated for prior years for the bonus element of the pro-rata entitlement offer in 2014.

(5) Before exceptional items.

Corporate Directory

APN News & Media Limited **ABN 95 008 637 643**

Directors

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

Company Secretary

Yvette Lamont

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SYDNEY NSW 1171

Principal bankers

Bank of China
Commonwealth Bank of Australia
Credit Suisse
Deutsche Bank
GE
HSBC
National Australia Bank
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 Sydney, 199 George Street, Sydney NSW 2000 on Wednesday, 6 May 2015 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 2014.

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.

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



NEWS & MEDIA

APN NEWS & MEDIA LIMITED
ABN 95 008 637 643

apn.com.au