

West Australian Newspapers Holdings Limited
A.B.N. 91 053 480 845

Half-year information - 31 December 2008

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Lodged with the ASX under Listing Rule 4.2A.

This information should be read in conjunction with the 30 June 2008 annual report.

Results for announcement to the market for the half-year ended 31 December 2008
(Previous corresponding half-year 31 December 2007)

\$'000

Revenue from continuing operations	down 4.2% to	227,228
Profit from continuing operations	up 14.3% to	58,496
Profit from continuing operations excluding noteworthy items (after tax) - note 3	down 1.9% to	58,496
Profit attributable to members of the Company	up 32.2% to	58,496

Diluted earnings per share from continuing operations

Current half-year	28.0 cents
Previous corresponding half-year	24.5 cents
Increase over previous corresponding half-year	3.5 cents

Diluted earnings per share

Current half-year	28.0 cents
Previous corresponding half-year	21.1 cents
Increase over previous corresponding half-year	6.9 cents

Dividends	Amount per security	Franked amount per security
Final dividend 2008 - paid 30 September 2008	32 cents	32 cents
Interim dividend - payable 31 March 2009	23 cents	23 cents

Record date for determining entitlements to the interim dividend - 9 March 2009.

For an explanation of revenue, profit from continuing operations and dividends, see commentary on Group results included in the accompanying interim report.

Interim report - 31 December 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by West Australian Newspapers Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

West Australian Newspapers Holdings Limited

Directors' report

Your directors present their report on the Consolidated Entity consisting of West Australian Newspapers Holdings Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were directors of West Australian Newspapers Holdings Limited from the beginning of the half-year and up to the date of this report unless otherwise indicated:

KM Stokes AC - *appointed a director on 25 September 2008 and chairman on 11 December 2008*
DR Flynn - *appointed 6 August 2008*
E Fraunschiel - *retired 5 November 2008*
PJT Gammell - *appointed 25 September 2008*
GT John AO - *appointed 3 December 2008*
PJ Mansell - *chairman until his resignation on 3 December 2008*
JA Seabrook - *resigned 3 December 2008*
KN Steinke - *resigned 11 December 2008*
DR Voelte - *appointed 11 December 2008*
SMC Walsh - *appointed 11 December 2008*
MK Ward AO - *resigned 3 December 2008*

Review of operations

A review of operations of the Consolidated Entity is given on pages 5 to 9.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.



KM Stokes AC
Chairman

Perth, Western Australia
3 February 2009



WEST AUSTRALIAN NEWSPAPERS HOLDINGS LIMITED
A.B.N. 91 053 480 845

**WAN ANNOUNCES AN INCREASE IN DIVIDEND AND THE
INTRODUCTION OF A DIVIDEND REINVESTMENT PLAN**

HIGHLIGHTS

- Reported net profit up 32% to \$58.5m (normalised net profit down 1.9%).
- Interim dividend up 9.5% to 23 cents per share.
- Decision to establish a Dividend Reinvestment Plan.
- Board approved heads of agreement with Yahoo!7 to provide a combined online news service in Western Australia.
- Strong growth in Quokka.
- Steady performance in the regional newspapers and radio.
- Effective cost management with costs in *The West Australian* down 3.5% on the prior half year.

WAN CEO, Chris Wharton, said :

"This is a commendable result in difficult market conditions and reflects the benefits of the Group's investment in the printing plant upgrade and the effective management of costs. The increase in reported earnings can be attributed to the impact on 2007 of the Hoyts disposal and costs associated with the new Herdsman Printing plant."

"The first four weeks of January have seen a continued softening of advertising revenue, particularly in local display, real estate and employment classifieds. Provided market conditions do not deteriorate further, the full year reported net profit should be in the range of \$100m to \$108m."

The Board declared an interim dividend of 23 cents per share, payable on 31 March 2009 to shareholders registered at 5.00pm on 9 March 2009. This represents a 9.5% increase on last year's interim dividend of 21 cents. The Board has today adopted a policy of paying the maximum appropriate dividend, having regard to the company debt and capital management requirements.

The Board also announced its decision to establish a Dividend Reinvestment Plan, which will apply to this interim dividend, and reflects the Board's desire to reduce the Group's debt levels. Full details will be distributed to shareholders later this month.

WANH GROUP SUMMARY	6 Months to 31 December		
	2008/09	2007/08	Variance
	\$M	\$M	%
RESULTS FROM CONTINUING OPERATIONS			
Earnings before Depreciation, Interest, Tax and Noteworthy Items (EBITDA)	102.9	110.3	(6.6)
Depreciation	(10.2)	(10.7)	
Earnings before Interest, Tax and Noteworthy Items (EBIT)	92.7	99.6	(6.9)
Net Interest Expense	(10.1)	(15.6)	
Earnings before Tax and Noteworthy Items	82.6	84.0	(1.7)
Tax	(24.1)	(24.3)	
Net Profit before Noteworthy Items (Normalised*)	58.5	59.7	(1.9)
Noteworthy Items (After Tax)	-	(8.5)	
Net Profit from Continuing Operations	58.5	51.2	14.3
RESULTS FROM DISCONTINUED OPERATIONS			
Hoyts trading results (after tax)	-	3.5	N/A
Loss on disposal of Hoyts	-	(10.4)	N/A
NET PROFIT (AS REPORTED)	58.5	44.3	32.2
EARNINGS PER SHARE (CENTS)			
Continuing Operations (Normalised*)	28.0¢	28.5¢	(1.9)
Continuing Operations	28.0¢	24.5¢	14.3
As reported	28.0¢	21.1¢	32.2

* Normalised for Accelerated Depreciation and Redundancies in 2007/08.
All variance percentages are based on full numbers, not rounded numbers.

WANH BUSINESS UNIT RESULTS	6 Months to 31 December		
	2008/09	2007/08	Variance
	\$M	\$M	%
Revenue from Continuing Operations (excluding Interest and Dividends)			
The West Australian	172.5	182.9	(5.7)
The West Magazines	8.8	8.2	8.0
Digital Publishing	0.7	0.6	23.4
Regionals	24.8	24.6	0.7
ColourPress	4.4	5.5	(20.3)
Quokka	5.7	4.9	16.7
Radio	4.6	4.3	5.7
West Australian Publishers	2.5	2.5	(1.3)
Other	2.9	3.0	(3.2)
TOTAL	226.9	236.5	(4.1)
Earnings from Continuing Operations before Interest, Tax (EBIT) and Noteworthy Items			
The West Australian	81.9	89.0	(8.0)
The West Magazines	2.9	2.4	19.2
Digital Publishing	(2.9)	(1.9)	(52.9)
Regionals	6.8	6.7	2.0
ColourPress	(0.1)	(1.4)	92.4
Quokka	1.9	1.4	42.1
Radio	1.5	1.5	0.9
West Australian Publishers	0.9	0.9	3.6
Community Newspaper (49.9%)*	2.9	3.4	(14.6)
Corporate Costs and Other	(3.1)	(2.4)	(29.9)
TOTAL	92.7	99.6	(6.9)

* Profit After Tax
All variance percentages are based on full numbers, not rounded numbers.

Following are comments on the trading performance of the main business units for the six months.

THE WEST AUSTRALIAN

Normalised EBIT for *The West Australian* was 8.0% below the prior year.

Total revenue fell 5.7% to \$172.5 million. Net advertising revenue fell 6.3% to \$131.7 million and circulation revenue fell 6.1% to \$35.1 million.

Total gross advertising in *The West Australian* fell 6.3% in the six months, with an 8.8% decrease in volume and a 2.5% increase in the average advertising rate per column centimetre.

GROSS ADVERTISING REVENUE GROWTH BY CATEGORY IN THE WEST AUSTRALIAN IN THE 6 MONTHS TO 31 DECEMBER 2008	
	Increase / Decrease %
Display National	(1.3)
Display Local	(5.0)
TOTAL DISPLAY	(3.7)
Classifieds Real Estate	(3.7)
Classifieds Employment	(26.4)
Classifieds Motors	(7.0)
Classifieds Other	(0.5)
TOTAL CLASSIFIEDS	(10.9)
New Homes	35.6
TOTAL GROSS ADVERTISING	(6.3)

Total Display revenue fell 3.7% with National Display down 1.3% and Local Display down 5.0%. Total Classifieds revenue fell by 10.9% with Employment decreasing by 26.4% and Motors falling by 7.0%. Real Estate was down 3.7% and New Homes performed strongly with revenue 35.6% above the prior period.

Circulation revenue in *The West Australian* fell by 6.1%, partly as a result of the introduction of a new distributor compensation arrangement from the beginning of July. The number of copies sold was 2.4% less than the prior year and an increase in telemarketing activity led to a rise in the number of discounted copies sold. The quarterly circulation numbers are as follows:

CIRCULATION COPIES SOLD			
		Saturday Edition	Mon - Fri
Oct - Dec 07	ABC Audit	344,432	198,416
Jan - Mar 08	ABC Audit	348,153	196,490
Apr - Jun 08	ABC Audit	342,787	195,033
Jul - Sep 08	ABC Audit	336,532	194,862
Oct - Dec 08	Internal Data	336,287	192,964

EXPENSES

Expenses in *The West Australian* for the six months ended 31 December 2008 fell 3.5% to \$90.6 million.

EXPENSES IN THE WEST AUSTRALIAN 6 MONTHS TO 31 DECEMBER 2008			
	2008/09	2007/08	Variance
	\$M	\$M	%
Total Personnel Costs	37.5	36.2	(3.6)
Newsprint	20.5	24.0	14.5
Distribution	7.7	7.9	2.1
Depreciation	9.0	9.3	3.8
Other	15.9	16.5	3.3
TOTAL	90.6	93.9	3.5

All variance percentages are based on full numbers, not rounded numbers.

Only personnel costs rose in the six months, by 3.6%.

All other costs decreased in the six months, with Newsprint down by 14.5% due to a 7% price reduction, a 4.2% decrease in paging and a reduction in printing waste.

THE WEST MAGAZINES

The West Magazines achieved a 19.2% increase in EBIT to \$2.9 million on an 8.0% increase in revenue to \$8.8 million.

DIGITAL PUBLISHING

The Digital group's loss of \$2.9m reflects continued investment in WAN's digital strategy. This strategy is under review, to ensure the ultimate outcome is a value adding Digital presence.

REGIONALS

Strong growth in the resources centres in Western Australia was offset by weak conditions in the South West of the state. Revenue increased by 0.7% to \$24.8 million, while EBIT increased by 2.0% to \$6.8 million.

COLOURPRESS

ColourPress is predominantly an internal printer, operating on a nil profit margin basis for internal work. During the half year ColourPress incurred a marginal loss of \$0.1 million. From the start of the 2009/10 financial year, ColourPress results will be included in the "other" category and not separately disclosed.

QUOKKA

Quokka, which was revamped into a tabloid product last year, has achieved a 16.7% increase in revenue and a 42.1% increase in EBIT to \$1.9 million. Strong growth was achieved in the motor vehicles category and paid circulation has increased 2.4% from the first half last year.

RADIO

The radio operations achieved a 5.7% increase in revenue, the mix changing with direct local sales increasing while national agency sales declined. This led to an increase in commissions paid, which saw EBIT increase 0.9% to \$1.5 million.

COMMUNITY NEWSPAPERS (49.9%)

Net profit after tax declined 14.6% to \$2.9 million. Total revenue increased by 0.9%, while total costs increased by 7.6%, partly as a result of the introduction of a new gloss real estate product.

DEBT POSITION

During the half year net debt was reduced by \$15 million, to \$317 million at 31 December 2008.

At the date of this report the Group has \$380 million in debt facilities, with an average maturity of 1.7 years. The Company is comfortably complying with all banking covenants.

For further information:

Mr Chris Wharton
Chief Executive Officer

Mr Tom Garven
Chief Financial Officer

PricewaterhouseCoopers
ABN 52 780 433 757

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Auditor's Independence Declaration

As lead auditor for the review of West Australian Newspapers Holdings Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of West Australian Newspapers Holdings Limited and the entities it controlled during the period.



Justin Carroll
Partner
PricewaterhouseCoopers

Perth
3 February 2009

West Australian Newspapers Holdings Limited

Consolidated income statement for the half-year ended 31 December 2008

	Notes	Half-year	
		2008 \$'000	2007 \$'000
Revenue from continuing operations		227,228	237,125
Other income		87	78
Finance costs		(11,062)	(16,728)
Depreciation and amortisation			
Normal		(10,232)	(10,689)
Accelerated	3	-	(11,737)
Editorial contributions		(1,662)	(1,485)
Electricity		(954)	(990)
Maintenance agreements		(1,753)	(1,610)
Marketing and promotion expenses		(2,847)	(3,327)
Newsprint consumed		(28,551)	(31,826)
News services		(1,432)	(1,235)
Personnel costs including payroll tax		(59,139)	(56,893)
Printing services - external		(445)	(2,580)
Raw materials and consumables used (excluding newsprint)		(4,872)	(5,648)
Repairs and maintenance		(1,373)	(942)
Road and air freight		(9,302)	(8,438)
Telephones		(717)	(759)
Other expenses from ordinary activities		(13,305)	(13,805)
Share of net profit of associate accounted for using the equity method		2,907	3,403
Profit before income tax		82,576	71,914
Income tax expense		(24,080)	(20,724)
Profit from continuing operations		58,496	51,190
Net loss from discontinued operation	5(b)	-	(6,939)
Profit attributable to members of West Australian Newspapers Holdings Limited		58,496	44,251
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share		28.3 cents	24.9 cents
Diluted earnings per share		28.0 cents	24.5 cents
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share		28.3 cents	21.5 cents
Diluted earnings per share		28.0 cents	21.1 cents

The above consolidated income statement should be read in conjunction with the accompanying notes.

West Australian Newspapers Holdings Limited

Consolidated balance sheet as at 31 December 2008

	31 December 2008 \$'000	30 June 2008 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	9,508	9,522
Trade and other receivables	61,781	73,777
Inventories	12,152	12,711
Derivative financial instruments	-	4,913
Total current assets	83,441	100,923
Non-current assets		
Investments accounted for using the equity method	12,039	11,882
Available-for-sale financial assets	777	777
Derivative financial instruments	-	4,321
Property, plant and equipment	231,066	237,086
Intangible assets	128,736	127,532
Total non-current assets	372,618	381,598
Total assets	456,059	482,521
LIABILITIES		
Current liabilities		
Trade and other payables	24,698	27,886
Derivative financial instruments	4,299	-
Current tax liabilities	10,552	3,788
Provisions	5,404	5,444
Other	1,510	481
Total current liabilities	46,463	37,599
Non-current liabilities		
Borrowings	327,000	342,000
Derivative financial instruments	1,614	-
Deferred tax liabilities	7,355	9,723
Provisions	854	819
Total non-current liabilities	336,823	352,542
Total liabilities	383,286	390,141
Net assets	72,773	92,380
EQUITY		
Contributed equity	88,253	88,037
Reserves	(3,990)	8,085
Accumulated deficit	(11,490)	(3,742)
Total equity	72,773	92,380

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

West Australian Newspapers Holdings Limited

Consolidated statement of changes in equity for the half-year ended 31 December 2008

	Notes	Half-year	
		2008 \$'000	2007 \$'000
Total equity at the beginning of the half-year		<u>92,380</u>	<u>85,611</u>
Change in fair value of cash flow hedges, net of tax recognised directly in equity		<u>(10,603)</u>	<u>1,053</u>
Net (expense)/income recognised directly in equity		(10,603)	1,053
Profit for the half-year		<u>58,496</u>	<u>44,251</u>
Total recognised income and expense for the half-year		<u>47,893</u>	<u>45,304</u>
Transactions with equity holders in their capacity as equity holders:			
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans		216	1,738
(Decrease)/increase in equity compensation reserve		(1,472)	306
Dividends provided for or paid	4	<u>(66,244)</u>	<u>(64,052)</u>
Total transactions with equity holders in their capacity as equity holders		<u>(67,500)</u>	<u>(62,008)</u>
Total equity at the end of the half-year		<u>72,773</u>	<u>68,907</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

West Australian Newspapers Holdings Limited

Consolidated cash flow statement for the half-year ended 31 December 2008

	Notes	Half-year	
		2008 \$'000	2007 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		256,105	259,512
Payments to suppliers and employees (inclusive of goods and services tax)		(153,655)	(168,197)
		<hr/>	<hr/>
		102,450	91,315
Dividends received		2,750	3,000
Interest received		407	731
Interest paid		(11,376)	(17,339)
Income taxes paid		(15,140)	(18,323)
		<hr/>	<hr/>
Net cash inflow from operating activities		79,091	59,384
Cash flows from investing activities			
Payments for computer software		(2,289)	(1,180)
Payments for property, plant and equipment		(3,303)	(15,028)
Proceeds from sale of property, plant and equipment		7,515	1,434
Proceeds from sale of interest in jointly controlled entity (net)	5(d)	-	148,550
		<hr/>	<hr/>
Net cash inflow from investing activities		1,923	133,776
Cash flows from financing activities			
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans		216	1,738
Proceeds from borrowings		69,000	63,000
Repayment of borrowings		(84,000)	(195,000)
Dividends paid to Company's shareholders		(66,244)	(64,052)
		<hr/>	<hr/>
Net cash outflow from financing activities		(81,028)	(194,314)
Net decrease in cash and cash equivalents		(14)	(1,154)
Cash and cash equivalents at the beginning of the half-year		9,522	13,483
		<hr/>	<hr/>
Cash and cash equivalents at end of the half-year		9,508	12,329

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

West Australian Newspapers Holdings Limited

Notes to the financial statements - 31 December 2008

1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by West Australian Newspapers Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those detailed in the 2008 annual report and corresponding half-year report.

2. Segment information

The Consolidated Entity operates predominantly in one business segment for primary reporting being the publishing industry. The Consolidated Entity previously also operated in the cinema exhibition, cinema advertising and film distribution industry up until the disposal of its interest in Hoyts during the previous financial year. The remaining business segment operates predominantly in one geographical segment being Australia.

Primary reporting format - business segments

Half-year 2008	Publishing \$'000	Other \$'000	Consolidated \$'000
Segment revenue			
Sales to external customers	215,748	10,837	226,585
Intersegment sales	-	11,582	11,582
Total sales revenue	215,748	22,419	238,167
Other revenue	236	-	236
Total segment revenue	215,984	22,419	238,403
Intersegment elimination			(11,582)
Unallocated revenue			407
Consolidated revenue			227,228
Segment result	94,598	1,514	96,112
Unallocated revenue less unallocated expenses			(13,536)
Profit before income tax			82,576
Income tax expense			(24,080)
Profit for the half-year			58,496

West Australian Newspapers Holdings Limited

Notes to the financial statements - 31 December 2008

2. Segment information (continued)

Primary reporting format - business segments (continued)

Half-year 2007	Publishing \$'000	Other \$'000	Total continuing operations \$'000	Discontinued operation - Cinemas (Hoyts) \$'000	Consolidated \$'000
Segment revenue					
Sales to external customers	224,946	11,250	236,196	-	236,196
Intersegment sales	-	12,000	12,000	-	12,000
Total sales revenue	224,946	23,250	248,196	-	248,196
Other revenue	-	198	198	-	198
Total segment revenue	224,946	23,448	248,394	-	248,394
Intersegment elimination			(12,000)	-	(12,000)
Unallocated revenue			731	-	731
Consolidated revenue			237,125	-	237,125
Segment result	90,088	221	90,309	(5,429)	84,880
Unallocated revenue less unallocated expenses			(18,395)	-	(18,395)
Profit/(loss) before income tax			71,914	(5,429)	66,485
Income tax expense			(20,724)	(1,510)	(22,234)
Profit/(loss) for the half-year			51,190	(6,939)	44,251

3. Profit for the half-year

	Half-year	
	2008 \$'000	2007 \$'000

Profit for the half-year before income tax includes the following expenses that are unusual because of their nature, size or incidence:

Expenses

Accelerated depreciation on Herdsman printing equipment	-	(11,737)
Other write-offs related to the production upgrade at Herdsman and redundancy expense	-	(334)
	-	(12,071)

West Australian Newspapers Holdings Limited

Notes to the financial statements - 31 December 2008

4. Dividends

	Half-year	
	2008	2007
	\$'000	\$'000
Ordinary shares		
Dividends provided for or paid during the half-year	66,244	64,052

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have declared the payment of an interim dividend of 23 cents per fully paid ordinary share (2007 - 21 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 31 March 2009, but not recognised as a liability at the end of the half-year, is

47,652	43,434
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5. Discontinued operation

(a) Description

During the previous corresponding period, on 23 September 2007 the Consolidated Entity announced that it had entered into an agreement with Pacific Equity Partners for the sale of its interest in The Hoyts Group, a jointly controlled entity. The sale was completed on 5 December 2007. The jointly controlled entity is recorded as a discontinued operation in the comparative figures in this financial report.

(b) Financial performance and cash flow information

	Half-year	
	2008	2007
	\$'000	\$'000
Share of profit before income tax of jointly controlled entity using the equity method (to 23 September 2007)	-	5,033
Income tax expense	-	(1,510)
	-	3,523
Loss on disposal of interest in jointly controlled entity	-	(10,462)
Loss from discontinued operation	-	(6,939)
Net cash inflow from the sale of the interest in jointly controlled entity	-	148,550

(c) Carrying amount of asset

	31 December 2008	23 September 2007
	\$'000	\$'000
The carrying amounts of the interest in jointly controlled entity at 31 December 2008 and 23 September 2007 are:	-	156,000

West Australian Newspapers Holdings Limited

Notes to the financial statements - 31 December 2008

5. Discontinued operation (continued)

(d) Details of the sale of the interest in jointly controlled entity

	Half-year	
	2008 \$'000	2007 \$'000
Net cash consideration received	-	148,550
Adjustment to consideration and selling expenses unpaid at balance date	-	(2,752)
		<hr/>
Net consideration receivable	-	145,798
Carrying amount of net asset sold	-	(156,000)
		<hr/>
Loss on sale before income tax	-	(10,202)
Deferred tax asset written off	-	(260)
		<hr/>
Loss on sale after income tax	-	(10,462)

A capital loss arising from the sale of the interest in the jointly controlled entity has not been recognised as a deferred tax asset.

6. Contingent liabilities

There have been no material changes in contingent liabilities since the last annual reporting date.

7. Events occurring after the balance sheet date

Except for the dividend declared since the end of the current period described in note 4, there are no matters or circumstances which have arisen since 31 December 2008 that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in financial periods subsequent to 31 December 2008.

West Australian Newspapers Holdings Limited

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 18, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that West Australian Newspapers Holdings Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



KM Stokes AC
Chairman

Perth, Western Australia
3 February 2009

**Independent auditor's review report to the members of
West Australian Newspapers Holdings Limited**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of West Australian Newspapers Holdings Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the West Australian Newspapers Holdings Group (the consolidated entity). The consolidated entity comprises both West Australian Newspapers Holdings Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of West Australian Newspapers Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

*Independent auditor's review report to the members of
West Australian Newspapers Holdings Limited (continued)*

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of West Australian Newspapers Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Justin Carroll
Partner

Perth
3 February 2009

West Australian Newspapers Holdings Limited

Supplementary Appendix 4D information - 31 December 2008

31 December
2008

30 June
2008

NTA Backing

Net tangible asset backing per ordinary share

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Gain or loss of control over entities

(a) There was no control gained over entities having material effect during the current period.

(b) There was no loss of control of entities having material effect during the current period.

Dividends

Details of dividends declared or paid during or subsequent to the half-year ended 31 December 2008 are as follows:

Type	Record date	Date payable	Amount per security	Total dividend \$'000	Franked amount per security	Amount per security of foreign source dividend
Final	16/9/08	30/9/08	32 cents	66,244	32 cents	-
Interim	9/3/09	31/3/09	23 cents	47,652	23 cents	-

The interim dividend has not been recognised as a liability at the half-year end.

The board has announced its decision to establish a dividend reinvestment plan which will apply to the 31 March 2009 interim dividend.

Associate and jointly controlled entity

The Consolidated Entity has an interest (that is material to it) in the following entities.

Name	Ownership interest		Contribution to profit (after tax) for the half-year	
	2008	2007	2008	2007
	%	%	\$'000	\$'000
Community Newspaper Group Ltd	49.9%	49.9%	2,907	3,403
Hoyts Cinemas Group (discontinued)	-	-	-	(6,939)
Total profit/(loss) after tax of associate and jointly controlled entity			2,907	(3,536)

The Group disposed of its interest in the Hoyts Cinemas Group during the previous corresponding half-year - refer note 5 for further details.