



**WEST AUSTRALIAN NEWSPAPERS HOLDINGS LIMITED**

A.B.N. 91 053 480 845

15 February 2010

Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

***By electronic lodgement***

Total pages : 23 (including covering letter)

**HALF YEAR RESULTS**

Following are the half year results, as at 31 December 2009.

Yours faithfully

**For and on behalf of West Australian Newspapers Holdings Limited**

A handwritten signature in black ink, appearing to read 'Peter Bryant', with a stylized flourish extending from the end.

**Peter Bryant  
Company Secretary**

**08 9482 3138**

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

**Half-year information - 31 December 2009**

**Half-year information - 31 December 2009**

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Lodged with the ASX under Listing Rule 4.2A.  
This information should be read in conjunction with the 30 June 2009 annual report.

# West Australian Newspapers Holdings Limited

A.B.N. 91 053 480 845

## Results for announcement to the market for the half-year ended 31 December 2009

(Previous corresponding half-year 31 December 2008)

\$'000

Revenue from continuing operations	down 9.7% to	205,109
Profit attributable to members of the Company	down 15.4% to	49,492

### Diluted earnings per share

Current half-year	23.2 cents
Previous corresponding half-year	28.0 cents
Decrease from previous corresponding half-year	4.8 cents

<b>Dividends</b>	Amount per security	Franked amount per security
Final dividend 2009 - paid 30 September 2009	10 cents	10 cents
Interim dividend - payable 31 March 2010	19 cents	19 cents

Record date for determining entitlements to the interim dividend - 9 March 2010.

**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 2009**

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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 2009 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 2009.

### 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 - *Chairman*  
DR Flynn  
PJT Gammell  
GT John AO  
DR Voelte  
SMC Walsh

### 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  
15 February 2010



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

**DECEMBER 2009 – HALF YEAR RESULTS**

WAN today announced a trading profit after tax of \$49.5m for the six months to 31 December 2009, and declared a fully franked interim dividend of 19 cents.

The profit, although down 15% on the corresponding period last year, reflects a significant improvement in the underlying financial performance of the business, based on recent quarterly results.

Trading profit after tax for the December quarter was \$26.6m, up 16% on the result of the prior quarter and down only 7.9% period on period.

WAN CEO, Chris Wharton, said :

“The results for the half, and particularly the quarter, are very pleasing, recognising that the GFC did not really hit the Group until January 2009. Thus, we are comparing against last year’s high profitability levels.

“We have seen improving positive trends in both revenue and profitability throughout the half, with some weeks in November and December outperforming the corresponding weeks last year.

“All major ad categories are performing well, with the positive sentiment being maintained in to the new calendar year.”

The interim dividend of 19 cents reflects approximately 82% of reported EPS for the six month period.

Mr Wharton said :

“The Company’s stated dividend policy is to pay the maximum appropriate dividend, having regard to the Company’s debt and capital management requirements.

“The Company is aware of the importance of dividends to shareholders.”

WANH GROUP SUMMARY	6 Months to 31 December		
	2009 \$M	2008 \$M	Variance %
<b>RESULTS FROM CONTINUING OPERATIONS</b>			
EBITDA (Earnings before Depreciation, Interest and Tax)	88.6	102.9	(13.9)
Depreciation	(10.3)	(10.2)	
EBIT (Earnings before Interest and Tax)	78.3	92.7	(15.5)
Net Interest Expense	(8.4)	(10.1)	16.8
Earnings before Tax	69.9	82.6	(15.4)
Tax	(20.4)	(24.1)	15.4
<b>NET TRADING PROFIT</b>	49.5	58.5	(15.4)
<b>EARNINGS PER SHARE</b>			
Continuing Operations	23.2¢	28.0¢	

WANH BUSINESS UNIT RESULTS	6 Months to 31 December		
	2009 \$M	2008 \$M	Variance %
<b>Revenue from Continuing Operations (excluding Interest and Dividends)</b>			
The West Australian (including Magazines)	161.3	181.3	(11.0)
Regionals	22.9	24.8	(7.7)
Radio	4.4	4.6	(4.3)
Digital Publishing	0.5	0.7	(28.6)
Quokka	6.0	5.7	5.3
Other	9.8	9.8	
<b>TOTAL</b>	<b>204.9</b>	<b>226.9</b>	<b>(9.7)</b>
<b>EBIT</b>			
The West Australian (including Magazines)	68.0	84.8	(19.8)
Regionals	6.3	6.8	(7.4)
Radio	2.1	1.5	40.0
Digital Publishing	(1.0)	(2.9)	65.5
Quokka	2.3	1.9	21.1
Community Newspaper (49.9%)*	2.0	2.9	(31.0)
Corporate Costs and Other	(1.4)	(2.3)	39.1
<b>TOTAL</b>	<b>78.3</b>	<b>92.7</b>	<b>(15.5)</b>



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

## THE WEST AUSTRALIAN

The West Australian recorded EBIT for the half of \$68.0m. The result, whilst down 19.8% period on period, reflects a positive earnings trend.

EBIT for the December quarter was \$36.8m, up 18.2% on the results achieved in the prior quarter.

Total revenue for The West Australian was \$161.3m, down 11.0% on the corresponding period last year. Advertising revenue was down 13.9% and circulation revenue was down 5.7%.

The table below reflects the movement in advertising revenue, by category, for both the six months and three months ended 31 December 2009. The decline for the half was due to a 10% decline in volume and a 4% reduction in the average rate per column centimetre, with the rate reduction due to a change in the mix of high and low yield advertising.

The average rate per column centimetre returned to positive period on period comparisons during quarter two, as advertising categories returned to a more traditional mix.

<b>GROSS ADVERTISING REVENUE MOVEMENT BY CATEGORY IN THE WEST AUSTRALIAN</b>		
	<b>Increase / Decrease Period on Period</b>	
	<b>6 Months to 31 December 2009</b>	<b>3 Months to 31 December 2009</b>
Display National	(3.0)	2.7
Display Local	(12.5)	(0.4)
<b>TOTAL DISPLAY</b>	<b>(9.1)</b>	<b>0.8</b>
Classifieds Real Estate	(29.1)	(24.9)
Classifieds Employment	(40.9)	(26.1)
Classifieds Motors	(8.7)	(14.3)
Classifieds Other	3.5	7.5
<b>TOTAL CLASSIFIEDS</b>	<b>(20.9)</b>	<b>(15.8)</b>
New Homes	13.9	13.1
<b>TOTAL GROSS ADVERTISING</b>	<b>(13.9)</b>	<b>(6.6)</b>

Internal figures reflect Circulation numbers are likely to soften for the December audit, following three consecutive quarterly increases, Monday to Friday, and two consecutive Saturday increases.

<b>CIRCULATION COPIES SOLD</b>		
	<b>Saturday</b>	<b>Monday - Friday</b>
Oct - Dec 08 ABC Audit	336,287	192,964
Jan - Mar 09 ABC Audit	348,824	199,707
Apr - Jun 09 ABC Audit	343,460	196,761
Jul - Sep 09 ABC Audit	329,911	195,211
Oct - Dec 09 Internal Data	327,251	188,211

Net circulation revenue for The West Australian was \$33m for the half, down 5.7% period on period. Several factors contributed to the decline, including a reduction in circulation and increased distributor remuneration.

## **EXPENSES**

<b>EXPENSES IN THE WEST AUSTRALIAN 6 MONTHS TO 31 DECEMBER</b>			
	<b>2009 \$M</b>	<b>2008 \$M</b>	<b>Variance %</b>
Total Personnel Costs	37.1	37.5	1.1
Newsprint	18.7	20.5	8.8
Distribution (Road & Air Freight)	7.1	7.6	6.6
Depreciation	8.9	8.9	0.0
Other	16.0	15.6	(2.6)
<b>TOTAL</b>	<b>87.8</b>	<b>90.1</b>	<b>2.6</b>

Total personnel costs within The West Australian fell 1.2% for the half. The reduction reflects the staged implementation of the voluntary redundancy program, which was announced in June 2009, offset in part by the re-allocation of some Group resources and salary and wage increases. At a consolidated Group level, personnel costs were down \$3.5m, or 5.8%.

Newsprint was down 8.7%, due to a decline in paging, as a consequence of reduced ad volume, particularly in the first quarter.

## **REGIONALS**

The Regional Group recorded EBIT for the half of \$6.3m, a reduction of 7.4% on the corresponding half last year. The result reflects a notable improvement on the quarter one period on period decline of 24%.

## **RADIO**

The Radio Group performed satisfactorily for the half, up \$0.6m or 40%, period on period. However, the result included a \$0.5m gain on the sale of property in quarter one.

## **DIGITAL PUBLISHING**

Digital recorded a loss for the six months of \$1m, compared to a loss of \$2.9m for the corresponding period last year, due to a significant and sustainable reduction in the cost base.

Digital revenue levels have declined slightly, due to a softening in National Advertising. The Company is working with its digital partner to address this shortfall.

## **QUOKKA**

Quokka continues to perform strongly, with both revenue and EBIT up period on period.

## **DEBT POSITION**

Following a review of the Group's cash flow projections, the Group reduced its borrowing facilities by \$50m to \$320m. In addition, \$50m of debt has been classified as current. The facility under which this debt is provided expires in August 2010. The Group has been offered an extension of this facility and is assessing this offer as part of a review of its total debt facilities.

For further information:

Mr Chris Wharton  
Chief Executive Officer

Mr Peter Bryant  
Chief Financial Officer

PricewaterhouseCoopers  
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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 2009, 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  
15 February 2010

# West Australian Newspapers Holdings Limited

## Consolidated statement of comprehensive income

for the half-year ended 31 December 2009

	Half-year	
	2009	2008
	\$'000	\$'000
<b>Revenue from continuing operations</b>	205,109	227,228
Other income	451	87
Finance costs	(10,210)	(11,062)
Depreciation and amortisation	(10,310)	(10,232)
Editorial contributions	(1,472)	(1,662)
Electricity	(1,082)	(954)
Maintenance agreements	(1,393)	(1,753)
Marketing and promotion expenses	(2,276)	(2,847)
Newsprint consumed	(27,905)	(28,551)
News services	(1,417)	(1,432)
Personnel costs including payroll tax	(55,682)	(59,139)
Printing services - external	(605)	(445)
Raw materials and consumables used (excluding newsprint)	(4,817)	(4,872)
Repairs and maintenance	(1,315)	(1,373)
Road and air freight	(8,826)	(9,302)
Telephones	(668)	(717)
Other expenses from ordinary activities	(9,707)	(13,305)
Share of net profit of associate accounted for using the equity method	2,026	2,907
<b>Profit before income tax</b>	69,901	82,576
Income tax expense	(20,409)	(24,080)
<b>Profit attributable to the ordinary equity holders of the Company</b>	49,492	58,496
<b>Other comprehensive income</b>		
Interest rate hedges	2,898	(15,147)
Income tax relating to components of other comprehensive income	(869)	4,544
<b>Other comprehensive income for the half-year, net of tax</b>	2,029	(10,603)
<b>Total comprehensive income for the half-year attributable to ordinary equity holders of the Company</b>	51,521	47,893
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>		
Basic earnings per share	23.5 cents	28.3 cents
Diluted earnings per share	23.2 cents	28.0 cents

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

# West Australian Newspapers Holdings Limited

## Consolidated balance sheet as at 31 December 2009

	Notes	31 December 2009 \$'000	30 June 2009 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		12,256	14,982
Trade and other receivables		56,194	53,592
Inventories		11,678	12,270
<b>Total current assets</b>		<b>80,128</b>	<b>80,844</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method		11,635	11,609
Available-for-sale financial assets		777	777
Property, plant and equipment		218,811	224,303
Intangible assets		130,669	130,023
<b>Total non-current assets</b>		<b>361,892</b>	<b>366,712</b>
<b>Total assets</b>		<b>442,020</b>	<b>447,556</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		21,911	25,685
Borrowings	6	50,000	-
Derivative financial instruments		1,239	4,137
Current tax liabilities		6,486	6,692
Provision for restructuring costs		515	14,030
Other provisions		4,713	5,430
Other		2,315	825
<b>Total current liabilities</b>		<b>87,179</b>	<b>56,799</b>
<b>Non-current liabilities</b>			
Borrowings		237,000	318,000
Deferred tax liabilities		10,061	3,988
Provisions		1,021	966
<b>Total non-current liabilities</b>		<b>248,082</b>	<b>322,954</b>
<b>Total liabilities</b>		<b>335,261</b>	<b>379,753</b>
<b>Net assets</b>		<b>106,759</b>	<b>67,803</b>
<b>EQUITY</b>			
Contributed equity		109,455	100,949
Reserves		(718)	(2,747)
Accumulated deficit		(1,978)	(30,399)
<b>Total equity</b>		<b>106,759</b>	<b>67,803</b>

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 2009

	Notes	Half-year	
		2009 \$'000	2008 \$'000
<b>Total equity at the beginning of the half-year</b>		<u>67,803</u>	<u>92,380</u>
Profit for the half-year		49,492	58,496
Interest rate hedges		2,898	(15,147)
Income tax relating to components of other comprehensive income		<u>(869)</u>	<u>4,544</u>
<b>Total comprehensive income for the half-year</b>		<u>51,521</u>	<u>47,893</u>
<b>Transactions with owners in their capacity as owners</b>			
Decrease in equity compensation reserve		-	(1,472)
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans		822	216
Dividend reinvestment plan issues		7,684	-
Dividends provided for or paid	3	<u>(21,071)</u>	<u>(66,244)</u>
<b>Total transactions with equity holders in their capacity as equity holders</b>		<u>(12,565)</u>	<u>(67,500)</u>
<b>Total equity at the end of the half-year</b>		<u>106,759</u>	<u>72,773</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 2009

	Half-year	
	2009	2008
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	225,349	256,105
Payments to suppliers and employees (inclusive of goods and services tax)	(154,967)	(153,655)
	<hr/>	<hr/>
Dividends received	70,382	102,450
Interest received	2,000	2,750
Finance costs	219	407
Income taxes paid	(10,327)	(11,376)
	(15,411)	(15,140)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>46,863</b>	<b>79,091</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Payments for computer software	(2,028)	(2,289)
Payments for property, plant and equipment	(4,322)	(3,303)
Proceeds from sale of property, plant and equipment	316	7,515
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(6,034)</b>	<b>1,923</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans	822	216
Proceeds from borrowings	70,000	69,000
Repayment of borrowings	(101,000)	(84,000)
Dividends paid to Company's shareholders	(13,377)	(66,244)
	<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>	<b>(43,555)</b>	<b>(81,028)</b>
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,726)</b>	<b>(14)</b>
Cash and cash equivalents at the beginning of the half-year	14,982	9,522
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the half-year</b>	<b>12,256</b>	<b>9,508</b>
	<hr/>	<hr/>

*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 2009

### 1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 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 2009 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 2009 annual report and corresponding half-year report, except as noted below.

#### *Segment Reporting*

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers have been identified as the chief executive officer, the chief financial officer and other relevant members of the executive.

Segment disclosures in note 2 have been amended accordingly, together with comparative amounts.

#### *Statement of Comprehensive Income*

The Group has applied amended standard AASB 101 *Presentation of Financial Statements* from 1 July 2009 and requires that certain items included in the Statement of Changes in Equity also be shown in the Statement of Comprehensive Income. This amended Standard impacts presentation only and has no effect on reported results.

### 2. Segment information

#### (a) Description of segments

Management has determined the operating segments based on the internal reports reviewed by the chief operating decision makers that are used to make strategic decisions. The chief operating decision makers consist of the chief executive officer, the chief financial officer and other relevant members of the executive.

The chief operating decision makers consider the business from both a product and a geographical perspective and have identified the following reportable segments:

- The West Australian (The West Australian newspaper and insert magazines)
- Regionals (the Countryman and other newspapers published in regional areas of Western Australia)
- Quokka (a weekly classified advertising publication)
- Radio (radio stations broadcasting in regional areas of Western Australia)

Other operating segments are included in the 'all other segments' column encompassing Community Newspapers, Colourpress (commercial printing operation), digital publishing, West Australian Publishers and other.

# West Australian Newspapers Holdings Limited

## Notes to the financial statements - 31 December 2009

### 2. Segment information (continued)

#### (b) Segment information provided to the chief operating decision makers

The segment information provided to the chief operating decision makers for the reportable segments for the half-year ended 31 December 2009 is as follows:

	The West Australian \$'000	Regionals \$'000	Quokka \$'000	Radio \$'000	All other segments \$'000	Un- allocated \$'000	Total \$'000
<b>Half-year 2009</b>							
Total segment revenue	161,261	22,905	5,982	4,447	22,178	-	216,773
Inter-segment revenue	-	-	-	-	(11,883)	-	(11,883)
<b>Revenue from external customers</b>							
Interest received	161,261	22,905	5,982	4,447	10,295	-	204,890
	-	-	-	-	-	219	219
<b>Revenue from continuing operations</b>							
	161,261	22,905	5,982	4,447	10,295	219	205,109
<b>Adjusted earnings before interest and tax (EBIT)</b>							
	67,970	6,311	2,278	2,060	2,418	(2,697)	78,340
<b>Half-year 2008</b>							
Total segment revenue	181,354	24,830	5,659	4,557	22,003	-	238,403
Inter-segment revenue	-	-	-	-	(11,582)	-	(11,582)
<b>Revenue from external customers</b>							
Interest received	181,354	24,830	5,659	4,557	10,421	-	226,821
	-	-	-	-	-	407	407
<b>Revenue from continuing operations</b>							
	181,354	24,830	5,659	4,557	10,421	407	227,228
<b>Adjusted earnings before interest and tax (EBIT)</b>							
	84,760	6,787	1,936	1,498	1,129	(3,380)	92,730
<b>Total segment assets</b>							
31 December 2009	350,701	29,861	19,105	23,162	18,380	811	442,020
30 June 2009	360,148	29,634	18,333	21,765	16,811	865	447,556

The chief operating decision makers assess the performance of the operating segments based on a measure of adjusted earnings before interest and tax (EBIT). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs. Interest income and expenditure are also not allocated to segments.

A reconciliation of adjusted EBIT to profit before income tax is provided as follows:

	Half-year	
	2009	2008
	\$'000	\$'000
<b>Adjusted earnings before interest and tax (EBIT)</b>	78,340	92,730
Interest revenue	219	407
Interest paid	(8,658)	(10,561)
<b>Profit before income tax</b>	<b>69,901</b>	<b>82,576</b>

# West Australian Newspapers Holdings Limited

## Notes to the financial statements - 31 December 2009

### 3. Dividends

	Half-year	
	2009 \$'000	2008 \$'000
<b>Ordinary shares</b>		
Dividends provided for or paid during the half-year	21,071	66,244

#### 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 19 cents per fully paid ordinary share (2008 - 23 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 31 March 2010, but not recognised as a liability at the end of the half-year, is

40,296	47,652
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### 4. Equity securities issued

	Half-year		Half-year	
	2009 Shares	2008 Shares	2009 \$'000	2008 \$'000
<b>Balance at the beginning of the half-year</b>	210,044,210	206,276,937	100,949	88,037
<b>Issues of ordinary shares during the half-year</b>				
Proceeds received relating to the executive and employee share purchase plans	333,750	268,850	822	216
Dividend reinvestment plan issues	1,215,837	-	7,684	-
	1,549,587	268,850	8,506	216
<b>Balance at the end of the half-year</b>	211,593,797	206,545,787	109,455	88,253

### 5. Contingent liabilities

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

### 6. Events occurring after the balance sheet date

The following significant events have occurred after the balance sheet date:

- (i) The Group has been offered an extension to the \$50 million debt facility which was classified as a current liability at 31 December 2009. The Group is assessing this extension as part of a review of its total debt facilities.
- (ii) As described in note 3, the Company declared an interim dividend.

Other than as noted above, there are no matters or circumstances which have arisen since 31 December 2009 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 2009.

# West Australian Newspapers Holdings Limited

## Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 17, 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 2009 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  
15 February 2010

## 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 statements of West Australian Newspapers Holdings Limited, which comprise the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2009 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.

**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.

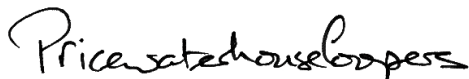
*Independence*

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 2009 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  
15 February 2010

# West Australian Newspapers Holdings Limited

## Supplementary Appendix 4D information - 31 December 2009

31 December  
2009

30 June  
2009

### NTA Backing

Net tangible asset backing per ordinary share

-

-

### 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 2009 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	9/9/09	30/9/09	10 cents	21,071	10 cents	-
Interim	9/3/10	31/3/10	19 cents	40,296	19 cents	-

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

The board has established a dividend reinvestment plan which will apply to the 31 March 2010 interim dividend. Shares are issued under the plan at a price determined by the board.

### Associate

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

Name	Ownership interest		Contribution to profit (after tax) for the half-year	
	2009	2008	2009	2008
	%	%	\$'000	\$'000
Community Newspaper Group Ltd	49.9%	49.9%	2,026	2,907