



15 February 2010

Company Announcements Office
Australian Stock Exchange Limited
Level 6
20 Bridge Street
SYDNEY NSW 2000

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HALF YEAR RESULTS PRESENTATION

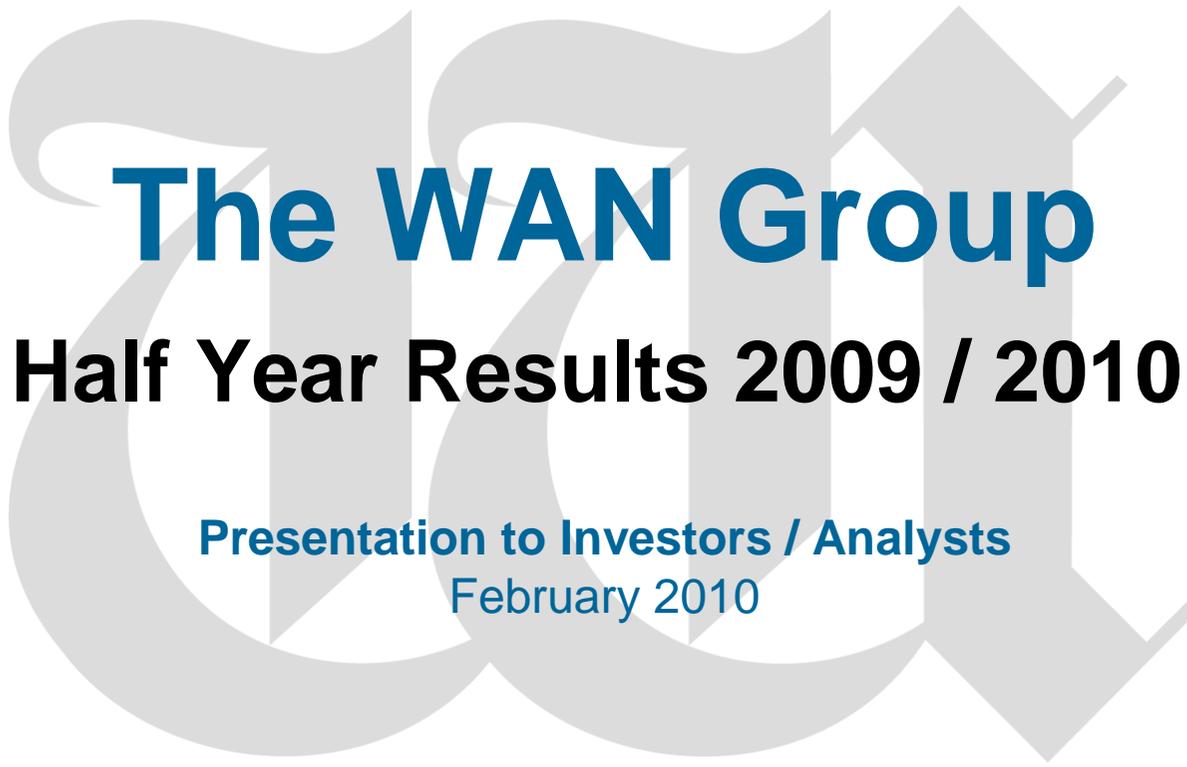
Following is the presentation on the half year results to 31 December 2009.

Yours faithfully

For and on behalf of West Australian Newspapers Holdings Limited

**Peter Bryant
Company Secretary**

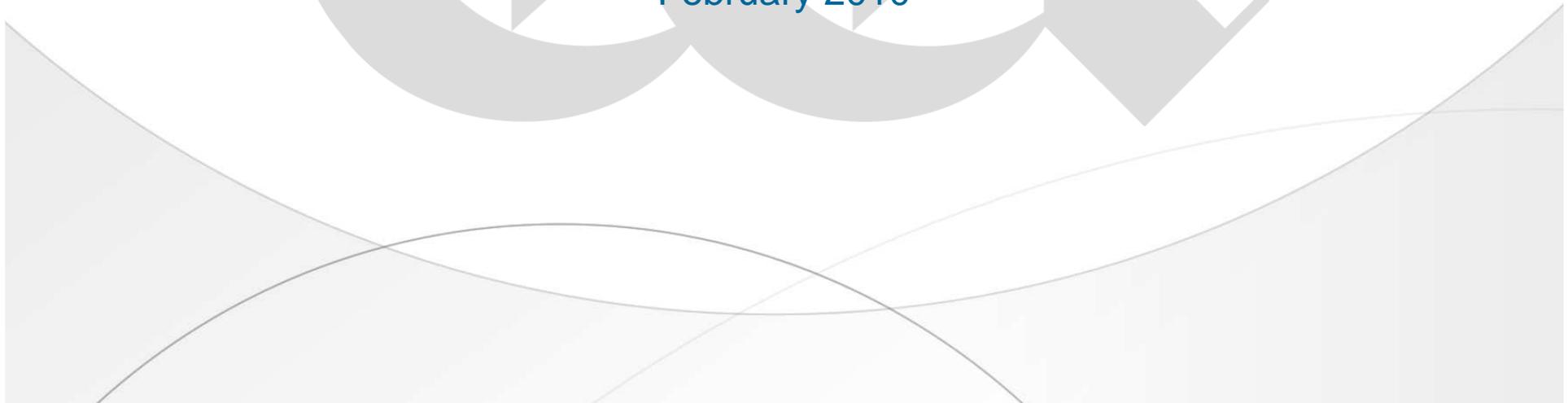
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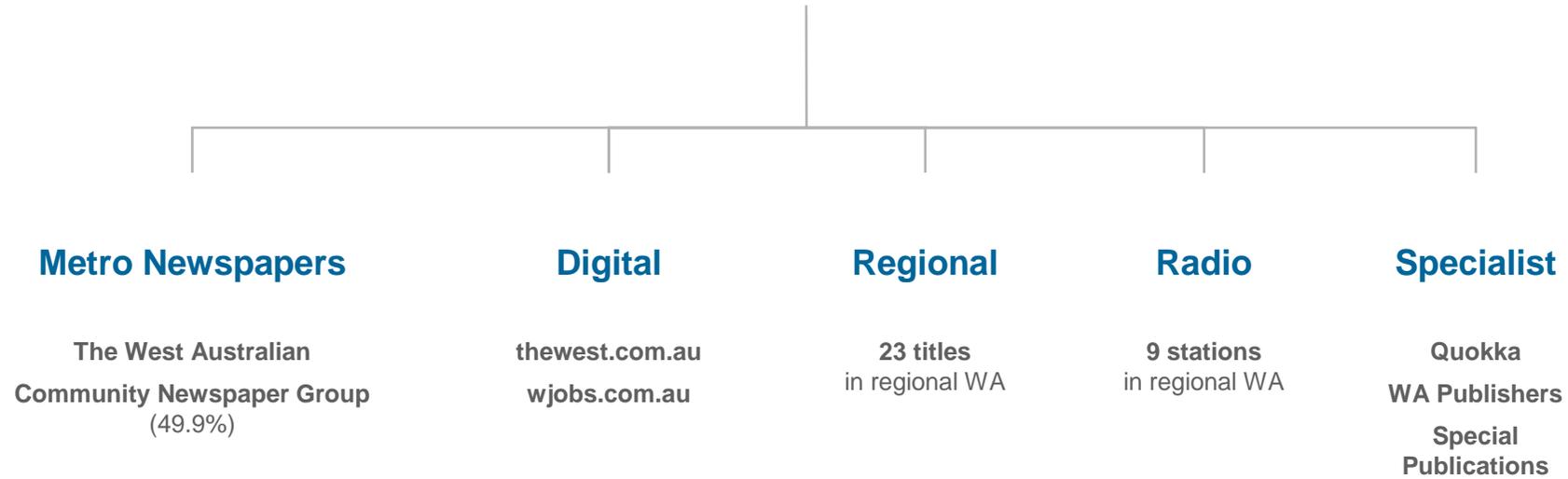
The WAN Group

Half Year Results 2009 / 2010

Presentation to Investors / Analysts
February 2010



The WAN Group



The WAN Group

Half Year Summary

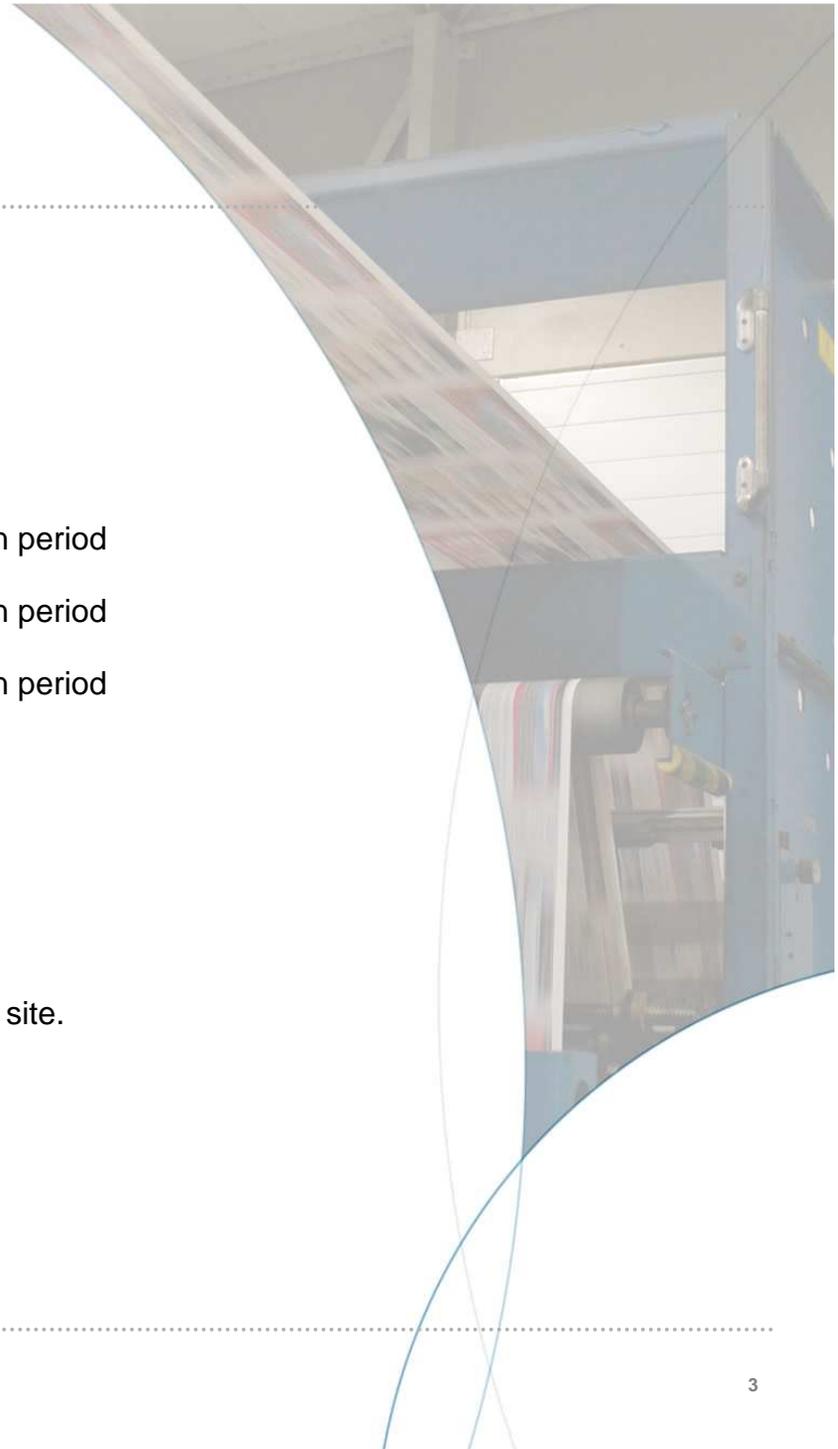
Results

| | |
|---------|--------------------------------------|
| Revenue | \$205.1m, down 9.7% period on period |
| EBIT | \$78.3m, down 15.5% period on period |
| NPAT | \$49.5m, down 15.4% period on period |

Events

Distribution network - new contract/rates agreed.

Thewest.com.au, WA's Number One news and information site.





Financial Results



Financial Results

Consolidated Half Year Results

| | 2010 | 2009 | \$m | % |
|-----------------------|-------|--------|-----|--------|
| Revenue | 205.1 | 227.2 | | (9.7) |
| EBITDA | 88.6 | 102.9 | | (13.9) |
| EBIT | 78.3 | 92.7 | | (15.5) |
| Net Interest Expenses | (8.4) | (10.1) | | 16.8 |
| Net Profit | 49.5 | 58.5 | | (15.4) |

| | 2010 | 2009 | cents |
|------------|------|------|-------|
| EPS | 23.2 | 28.0 | |
| Dividend | | | |
| - Interim | 19.0 | 23.0 | |
| - % of EPS | 81.9 | 82.1 | |

Financial Results

Quarter Two Results Returning to Pre GFC Levels

| | 2010 Quarter Two | 2009 Quarter Two | \$m | % |
|------------|---------------------|---------------------|-----|-------|
| Revenue | 105.8 | 110.9 | | (4.6) |
| EBITDA | 46.9 | 50.9 | | (7.8) |
| EBIT | 41.8 | 45.8 | | (8.7) |
| Net Profit | 26.6 | 28.9 | | (7.9) |

Financial Results

Half Year Segment Performance (EBIT)

| | 2010 | 2009 | \$m | % |
|------------------------------|-------------|-------------|---------------|---|
| The West Australian | 65.1 | 81.9 | (20.5) | |
| Magazines | 2.9 | 2.9 | - | |
| Community Newspapers (49.9%) | 2.0 | 2.9 | (31.0) | |
| Regionals | 6.3 | 6.8 | (7.4) | |
| Radio | 2.1 | 1.5 | 40.0 | |
| Quokka | 2.3 | 1.9 | 21.1 | |
| Digital | (1.0) | (2.9) | 65.5 | |
| Corporate and other | (1.4) | (2.3) | 39.1 | |
| EBIT | 78.3 | 92.7 | (15.5) | |

Financial Results

Balance Sheet

| | Dec 2009 | Dec 2008 | \$m |
|------------------------------|--------------|--------------|-----|
| Cash | 12.3 | 9.5 | |
| Receivables & Inventories | 67.9 | 73.9 | |
| Property plant and equipment | 218.8 | 231.1 | |
| Intangible assets | 130.6 | 128.7 | |
| Total assets | 442.0 | 456.1 | |
| Borrowings | 287.0 | 327.0 | |
| Total liabilities | 335.3 | 383.3 | |
| Shareholders equity | 106.8 | 72.8 | |
| Net Debt | 274.7 | 317.5 | |

| Borrowing Facilities | Dec 2009 | Dec 2008 | \$m |
|-----------------------------|-------------|-------------|-----|
| Westpac | 130 | 130 | |
| NAB | 250 | 250 | |
| | 380 | 380 | |

Facilities

- Average maturity of 0.7 years (*previous year 1.7 years*)

Interest Rate Exposure

- \$200m fixed at 6.45% (*incl. bank margins*) until May 2010
- Balance floating
- Weighted average interest rate (*31 Dec*) of 5.75% (*previous year 5.73%*)

Financial Results

Half Year Cash Flow

| | 2010 | 2009 | \$m |
|---------------------------------------|--------------|--------------|-----|
| Cash flow from operations | 70.4 | 102.4 | |
| Major non-operating cash flows | | | |
| - Proceeds from borrowings | 70.0 | 69.0 | |
| - Repayment of borrowings | (101.0) | (84.0) | |
| - Dividends | (13.4) | (66.2) | |
| - Capital expenditure | (4.0) | 1.9 | |
| - Tax paid | (15.4) | (15.1) | |
| - Other | (3.9) | (8.0) | |
| Net cash flow | (2.7) | - | |
| Closing cash | 12.3 | 9.5 | |
| Operating cash flow | 70.4 | 102.4 | |
| EBITDA | 88.6 | 102.9 | |
| Conversion | 79.5% | 99.5% | |

Financial Results

The West Australian – Half Year

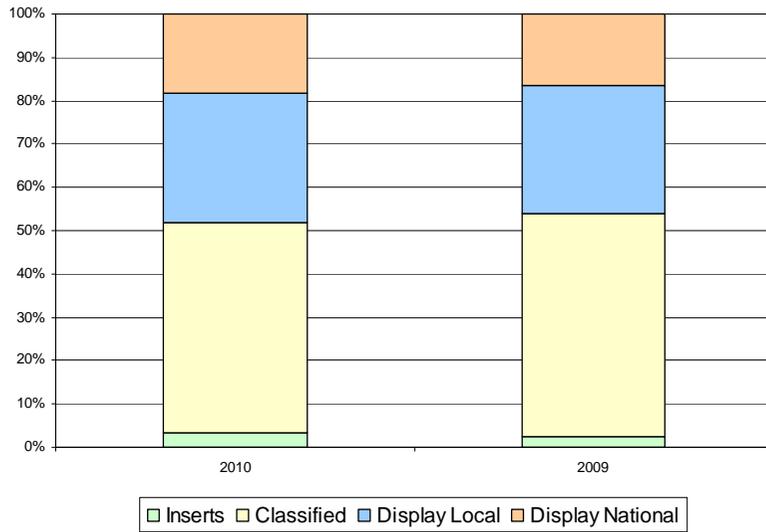
| | 2010 | % of cost structure | 2009 | % of cost structure | \$m |
|-----------------|-------------|---------------------|-------------|---------------------|-----|
| Revenue | | | | | |
| - Circulation | 33.1 | | 35.1 | | |
| - Advertising | 113.0 | | 131.7 | | |
| - Other | 5.3 | | 5.7 | | |
| Costs | | | | | |
| - Personnel | 37.1 | 42.3 | 37.5 | 41.4 | |
| - Newsprint | 18.7 | 21.3 | 20.5 | 22.6 | |
| - Depreciation | 8.9 | 10.1 | 8.9 | 9.8 | |
| - Distribution | 7.1 | 8.2 | 7.6 | 8.4 | |
| - Other | 16.0 | 18.1 | 15.6 | 17.8 | |
| EBIT | 63.6 | | 81.9 | | |
| Margin % | 42.0 | | 47.5 | | |

Financial Results

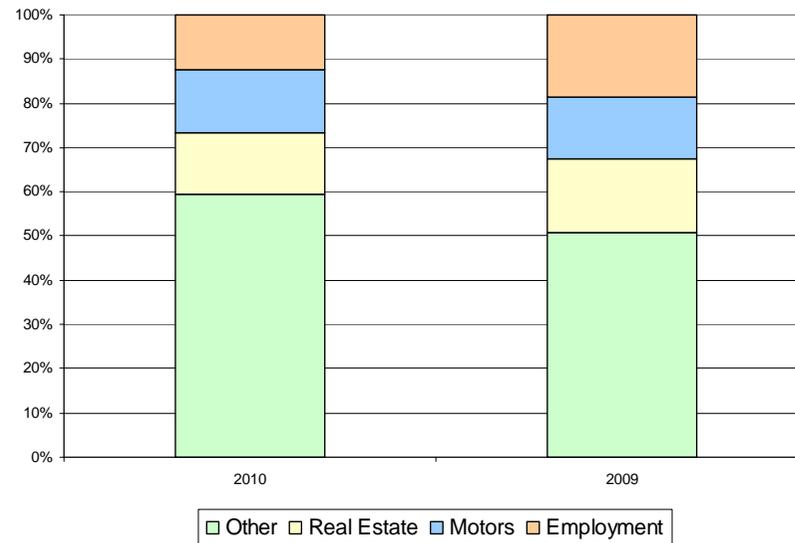
The West Australian – Advertising Revenue



Advertising Category



Product Category



Financial Results

The West Australian – Advertising

Gross Advertising Revenue Movement by Category in The West Australian

| | 6 Months to 31-Dec-09 | 3 Months to 31-Dec-09 | % movement |
|--------------------------------|--------------------------|--------------------------|------------|
| Display National | (3.0) | 2.7 | |
| Display Local | (12.5) | (0.4) | |
| Total Display | (9.1) | 0.8 | |
| 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 | |
| Total Classifieds | (20.9) | (15.8) | |
| New Homes | 13.9 | 13.1 | |
| Total Gross Advertising | (13.9) | (6.6) | |

Financial Results

The West Australian - Circulation

- Three quarters of growth followed by softening in Quarter Two.
- Net revenue per copy declined slightly due to increased distribution fees.

| Circulation | | Saturday | Mon-Fri | Year on Year % Movement | |
|--------------|---------------|----------|---------|-------------------------|---------|
| | | | | Saturday | Mon-Fri |
| Oct - Dec 08 | ABC Audit | 336,287 | 192,964 | (2.4) | (2.7) |
| Jan - Mar 09 | ABC Audit | 348,824 | 199,707 | 0.2 | 1.3 |
| Apr - Jun 09 | ABC Audit | 343,460 | 196,761 | 0.2 | 0.9 |
| Jul - Sep 09 | ABC Audit | 329,911 | 195,211 | (1.9) | 0.2 |
| Oct - Dec 09 | Internal Data | 327,251 | 188,211 | (2.6) | (2.5) |

The WAN Group

The West Australian - Costs

| | 2010 | 2009 | \$m |
|--------------|-------------|-------------|-----|
| Personnel | 37.1 | 37.5 | |
| Newsprint | 18.7 | 20.5 | |
| Distribution | 7.1 | 7.6 | |
| Depreciation | 8.9 | 8.9 | |
| Other | 16.0 | 15.6 | |
| TOTAL | 87.8 | 90.1 | |

- Redundancy program implementation finalised December 2009.
- Consolidated personnel costs down \$3.5m, or 5.8% for the half.
- Newsprint costs fixed to June 2010.
- Distribution network and cost structure under review.

Financial Results

Regionals



- Represents 8% of Group EBIT.
- EBIT down 7.4%, period on period, for the half.



Financial Results

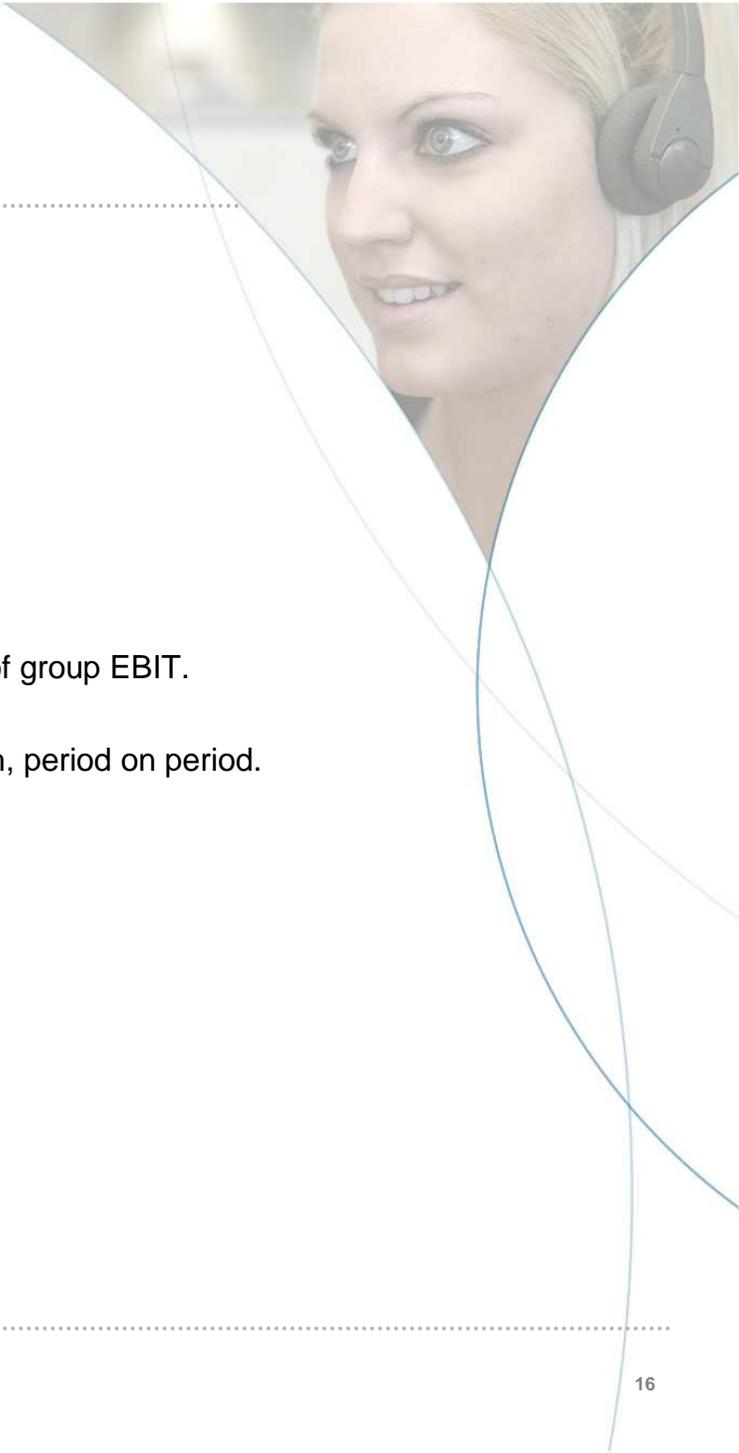
Radio

RED FM

WA fm

SPIRIT
RADIO NETWORK

- Represents 3% of group EBIT.
- 40% EBIT growth, period on period.



Strategic Priorities

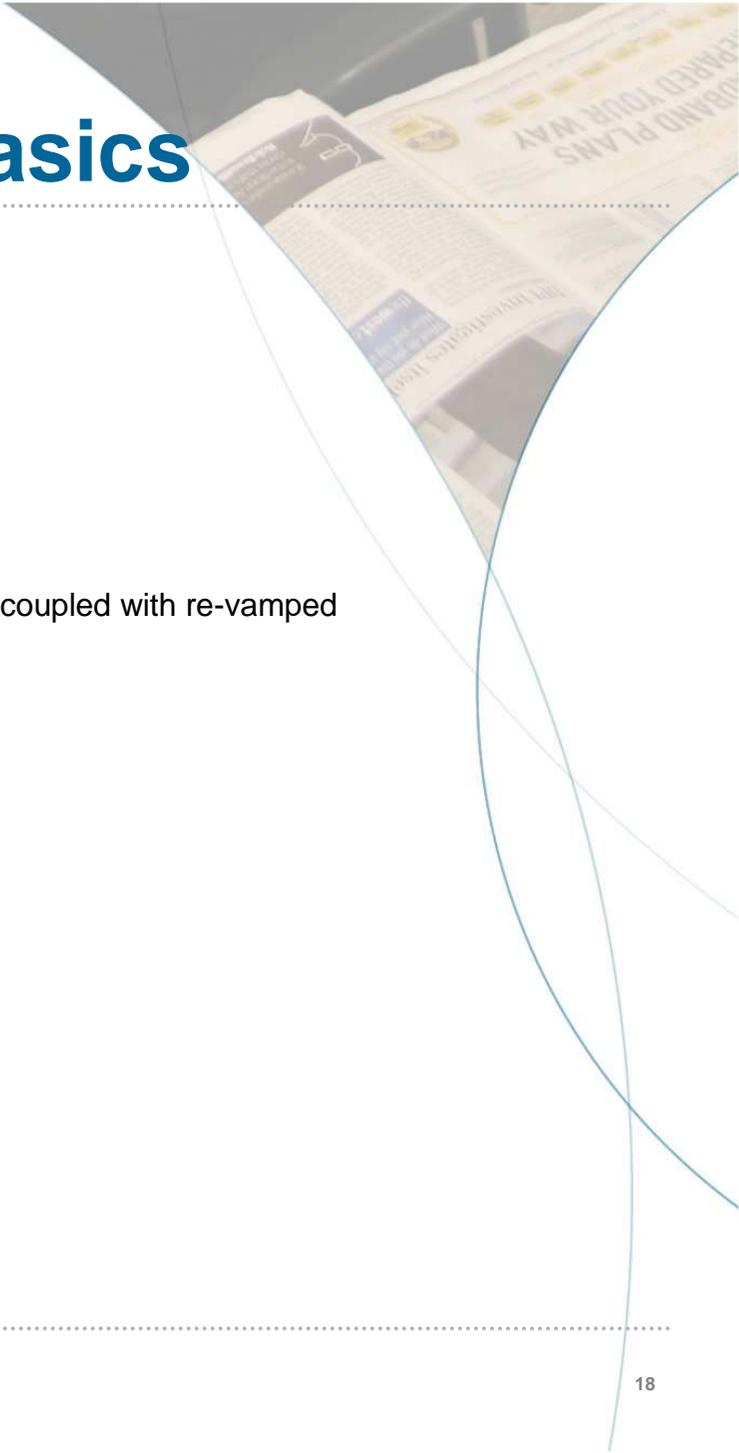
Not a lot has changed since we met in August.

- Continued focus on the “basics”
 - circulation
 - advertising revenue
 - editorial
 - effective cost management
- Expanded profitable digital offering.
- Focus on community activities, profile and reputation





Continued Focus on the Basics



Circulation

- Mediation process with distributors successfully concluded.
- Agreement with Skywest to deliver product to the North West.
- Reviewing Circulation opportunities, expanded distribution channels, coupled with re-vamped marketing and promotion.

Advertising Revenue

- New organisational structure performing well.
- Focus on client relationships.
- Focus on creative “out of the box” initiatives.



Continued Focus on the Basics



Editorial

- Transitioning to sub-editing hub model, introduced last quarter.
- Ongoing review and enhancement of content and structure.
- Reviewing and re-launching magazines.

Effective Cost Management

- Newsprint supply alternatives being considered.
- Bulk distribution contract will be put to tender.
- General operational efficiencies being identified and utilised.

Expanded Digital Offering

- Thewest.com.au, powered by Yahoo!7, is the Number One WA news and information site.
- Launched on-line employment classified site, Wjobs
 - JV with JobsJobsJobs
 - Focus on training
- Continuing to assess classified opportunities

WAN

Disclaimer

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