

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

**Half-year information - 31 December 2010**

**Half-year information - 31 December 2010**

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Lodged with the ASX under Listing Rule 4.2A.  
This information should be read in conjunction with the 30 June 2010 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 2010  
(Previous corresponding half-year 31 December 2009)

		\$'000
Revenue from operations	up 2.1% to	209,444
Profit attributable to members of the Company	up 1.3% to	50,112

**Basic earnings per share**

Current half-year	23.2 cents
Previous corresponding half-year	23.5 cents
Decrease from previous corresponding half-year	0.3 cents

**Diluted earnings per share**

Current half-year	23.0 cents
Previous corresponding half-year	23.2 cents
Decrease from previous corresponding half-year	0.2 cents

<b>Dividends</b>	Amount per security	Franked amount per security
Final dividend 2010 - paid 30 September 2010	26 cents	26 cents
Interim dividend - payable 31 March 2011	19 cents	19 cents

Record date for determining entitlements to the interim dividend - 9 March 2011.

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

**Interim report - 31 December 2010**

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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 2010 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 2010.

### 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 AO

RK Stokes and BI McWilliam are alternate directors to KM Stokes and PJT Gammell respectively. Mr Stokes and Mr McWilliam do not receive any remuneration for acting as alternate directors.

### Review of operations

A review of operations of the Consolidated Entity is given on pages 5 to 8.

### 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 9.

### 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  
21 February 2011



**WEST AUSTRALIAN NEWSPAPERS HOLDINGS LIMITED**  
ABN 91 053 480 845

**DECEMBER 2010 – HALF YEAR RESULTS**

WAN today announced a trading profit after tax of \$50.1m for the six months to 31 December 2010, up 1.2% on the same period last year.

The result reflects a 3.8% increase in consolidated advertising revenue, with all businesses recording year on year growth.

Strong growth in The West Australian's key classified categories of employment (up 18.3%), real estate (up 14.2%) and motors (up 1.6%) delivered overall growth in classified revenue of 6.8%, which was offset in part by soft local (retail) display advertising (down 4.9%) particularly in the lead up to Christmas.

WAN CEO, Chris Wharton said :

"I am very pleased with the underlying performance of the Group for the half, other than the results in the retail display category which is lagging the recovery. The difficult times being faced by retailers has been well documented, consumer spending in this sector was soft and that has all translated into a contraction in local display advertising. Savings ratios are at an historically high level in Australia, but as consumer confidence recovers so will this sector.

"With the exception of the soft retail advertising numbers, all other aspects of the Group performed in line or above our expectations. Classifieds performed strongly, as did our regional radio and newspaper assets, with the Group's costs very much under control.

"WAN remains well positioned to benefit from the upside when momentum returns to the retail advertising sector."

## CONSOLIDATED GROUP RESULTS

<b>Results from Continuing Operations</b>	<b>2010 \$M</b>	<b>2009 \$M</b>	<b>Variance %</b>
<b>Revenue</b>			
- Advertising	157.3	151.6	3.8%
- Circulation	37.4	38.1	(1.8%)
- Other	14.0	15.2	(7.9%)
<b>Net Revenue</b>	<b>208.7</b>	<b>204.9</b>	<b>1.9%</b>
Other Income	-	0.5	-
<b>Expenditure</b>	<b>(122.6)</b>	<b>(118.8)</b>	<b>(3.2%)</b>
<b>EBITDA *</b>	<b>86.1</b>	<b>86.6</b>	<b>(0.6%)</b>
Depreciation	(11.1)	(10.3)	(7.8%)
<b>EBIT *</b>	<b>75.0</b>	<b>76.3</b>	<b>(1.7%)</b>
Net Interest Expense	(6.9)	(8.4)	17.9%
<b>Profit before Tax *</b>	<b>68.1</b>	<b>67.9</b>	<b>0.3%</b>
Tax	(20.6)	(20.4)	(1.0%)
<b>NET PROFIT *</b>	<b>47.5</b>	<b>47.5</b>	<b>0.0%</b>
Community News (equity accounted)	2.6	2.0	30.0%
<b>NET PROFIT REPORTED</b>	<b>50.1</b>	<b>49.5</b>	<b>1.2%</b>

\* Excludes equity accounted net profit.

## CONSOLIDATED NET ADVERTISING REVENUE

<b>Advertising Revenue by Business</b>	<b>2010 \$M</b>	<b>2009 \$M</b>	<b>Variance %</b>
The West Australian (including Magazines)	124.8	122.9	1.5%
Regional Newspapers	21.4	18.9	13.2%
Radio	4.7	4.4	6.8%
Digital	1.0	0.5	100.0%
Other	5.4	4.9	10.2%
<b>TOTAL</b>	<b>157.3</b>	<b>151.6</b>	<b>3.8%</b>

Total Consolidated advertising revenue was \$157.3m, up 3.8%, year on year, with all businesses recording year on year growth. As reflected in the following table, advertising revenue in The West Australian, which grew by 1.5%, was impacted by a softening of growth rates in local display revenue. Year on year growth of 13.2% and 6.8% was recorded by Regional Newspapers and Radio, reflecting a continuation of their strong performance in Quarter 1.

The West Australian Gross Advertising by Category	Movement Period on Period
	6 months to 31 Dec 10
Display National	4.0%
Display Local	(4.9%)
Total Display	(1.9%)
Classified Real Estate	14.2%
Classified Employment	18.3%
Classified Motors	1.6%
Classified Other	(4.1%)
Total Classified	6.8%
Magazine / Inserts	1.8%
<b>TOTAL GROSS ADVERTISING REVENUE</b>	1.9%

Total Gross Advertising revenue for The West Australian was up 1.9%, year on year. Local display revenue recorded a period on period decline of 4.9%, due to a soft retail sector which resulted in a decline in retail advertising spend. By contrast, classified advertising performed solidly for the half, up 6.8%, with strong performances in key real estate and employment categories.

### **CONSOLIDATED CIRCULATION REVENUE**

Circulation Revenue by Business	2010 \$M	2009 \$M	Variance %
The West Australian	32.1	33.1	(3.0%)
Other	5.3	5.0	6.0%
<b>TOTAL</b>	37.4	38.1	(1.8%)

Net consolidated circulation revenue, after deducting home delivery and newsagent fees, was \$37.4m, down 1.8% period on period. The result is consistent with the 2.1% decline reported in Quarter 1 and reflects an increase of 3.5% in fees paid to Distributors, and an increased focus on promotional activities, specifically the newspapers in education program, which delivered a reduced yield.

### **CONSOLIDATED OTHER REVENUE**

Major Components of Other Revenue	2010 \$M	2009 \$M	Variance %
The West Australian (including Magazines)	6.2	5.3	17.0%
Regionals	1.8	1.7	5.9%
Radio	0.1	0.1	0.0%
ColourPress (external Revenue)	5.1	6.9	(26.1%)
Comsnet	0.2	0.2	0.0%
Tabform	0.6	0.8	(25.0%)
Other	0.0	0.2	-
<b>TOTAL</b>	14.0	15.2	(7.9%)

Other revenue in 2009 was inflated by the inclusion of increased ColourPress revenue relating to the supply of paper.



## **CONSOLIDATED EXPENDITURE**

<b>Major Components of Consolidated Expenditure</b>	<b>2010 \$M</b>	<b>2009 \$M</b>	<b>Variance %</b>
Personnel Costs	58.8	55.7	(5.6%)
Newsprint	25.0	27.9	10.4%
Distribution	9.3	8.8	(5.7%)
Other	29.5	26.4	(11.7%)
<b>TOTAL</b>	<b>122.6</b>	<b>118.8</b>	<b>(3.2%)</b>

Total consolidated expenditure for the Group was \$122.6m, up 3.2% year on year.

Personnel costs were in line with expectations, newsprint costs reflect the Group's new supply arrangements and were also in line with expectations.

Other costs were up \$3.1m, which is consistent with the increase reported for Quarter 1.

## **CONSOLIDATED NET INTEREST**

	<b>2010 \$M</b>	<b>2009 \$M</b>	<b>Variance %</b>
Interest Income	0.7	0.2	250.0%
Interest Expenditure	(7.6)	(8.7)	12.6%

## **WAN GROUP SEGMENT RESULT**

	<b>2010 \$M</b>	<b>2009 \$M</b>	<b>Variance %</b>
<b>Revenue from Continuing Operations (excluding Interest and Dividends)</b>			
The West Australian (including Magazines)	163.0	161.3	1.1%
Regionals	25.5	22.9	11.4%
Radio	4.9	4.4	11.4%
Digital Publishing	1.1	0.5	120.0%
Quokka	5.8	6.0	(3.3%)
Other	8.4	9.8	(14.3%)
<b>TOTAL</b>	<b>208.7</b>	<b>204.9</b>	<b>1.9%</b>
<b>EBIT – Excluding equity accounted net profit</b>			
The West Australian (including Magazines)	64.6	68.0	(5.0%)
Regionals	7.4	6.3	17.5%
Radio	1.7	2.1	(19.0%)
Digital Publishing	(0.7)	(1.0)	30.0%
Quokka	2.4	2.3	4.3%
Corporate Costs and Other	(0.4)	(1.4)	71.4%
<b>TOTAL</b>	<b>75.0</b>	<b>76.3</b>	<b>(1.7%)</b>



## Auditor's Independence Declaration

As lead auditor for the review of West Australian Newspapers Holdings Limited for the half year ended 31 December 2010, 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.

A handwritten signature in blue ink that reads 'Henry' with a stylized flourish at the end.

Nick Henry  
Partner  
PricewaterhouseCoopers

Perth  
21 February 2011

# West Australian Newspapers Holdings Limited

## Consolidated statement of comprehensive income

for the half-year ended 31 December 2010

	Half-year	
	2010	2009
	\$'000	\$'000
<b>Revenue from operations</b>	209,444	205,109
Other income	67	451
Finance costs	(8,761)	(10,210)
Depreciation and amortisation	(11,126)	(10,310)
Editorial contributions	(2,084)	(1,472)
Electricity	(1,346)	(1,082)
Maintenance agreements	(1,342)	(1,393)
Marketing and promotion expenses	(3,725)	(2,276)
Newsprint consumed	(24,965)	(27,905)
News services	(1,430)	(1,417)
Personnel costs including payroll tax	(58,845)	(55,682)
Raw materials and consumables used (excluding newsprint)	(4,694)	(4,817)
Repairs and maintenance	(1,658)	(1,315)
Road and air freight	(9,333)	(8,826)
Other expenses from ordinary activities	(12,088)	(10,980)
Share of net profit of associate accounted for using the equity method	2,606	2,026
<b>Profit before income tax</b>	70,720	69,901
Income tax expense	(20,608)	(20,409)
<b>Profit attributable to the ordinary equity holders of the Company</b>	50,112	49,492
<b>Other comprehensive income</b>		
Interest rate cash flow hedges	1,074	2,898
Income tax relating to components of other comprehensive income	(322)	(869)
<b>Other comprehensive income for the half-year, net of tax</b>	752	2,029
<b>Total comprehensive income for the half-year attributable to ordinary equity holders of the Company</b>	50,864	51,521
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>		
Basic earnings per share	23.2 cents	23.5 cents
Diluted earnings per share	23.0 cents	23.2 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 2010

	Notes	31 December 2010 \$'000	30 June 2010 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		14,604	12,065
Trade and other receivables		54,501	57,705
Inventories		17,213	13,123
Derivative financial instruments		103	-
<b>Total current assets</b>		<b>86,421</b>	<b>82,893</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method		12,084	11,228
Available-for-sale financial assets		777	777
Derivative financial instruments		168	-
Property, plant and equipment		209,359	213,523
Intangible assets		133,226	132,869
<b>Total non-current assets</b>		<b>355,614</b>	<b>358,397</b>
<b>Total assets</b>		<b>442,035</b>	<b>441,290</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		19,147	23,940
Derivative financial instruments		-	257
Current tax liabilities		12,346	6,434
Provisions		4,901	4,725
Other		2,576	1,962
<b>Total current liabilities</b>		<b>38,970</b>	<b>37,318</b>
<b>Non-current liabilities</b>			
Borrowings		241,000	261,000
Derivative financial instruments		-	547
Deferred tax liabilities		11,187	10,924
Provisions		915	950
<b>Total non-current liabilities</b>		<b>253,102</b>	<b>273,421</b>
<b>Total liabilities</b>		<b>292,072</b>	<b>310,739</b>
<b>Net assets</b>		<b>149,963</b>	<b>130,551</b>
<b>EQUITY</b>			
Contributed equity	4	150,873	126,520
Reserves		339	(413)
(Accumulated deficit) / retained earnings		(1,249)	4,444
<b>Total equity</b>		<b>149,963</b>	<b>130,551</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 2010

	Notes	Contributed equity \$'000	Reserves \$'000	(Accumulated deficit)/ retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2009</b>		100,949	(2,747)	(30,399)	67,803
<b>Total comprehensive income for the half-year</b>		-	2,029	49,492	51,521
<b>Transactions with owners in their capacity as owners</b>					
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans		822	-	-	822
Dividend reinvestment plan share issues		7,684	-	-	7,684
Dividends paid	3	-	-	(21,071)	(21,071)
		8,506	-	(21,071)	(12,565)
<b>Balance at 31 December 2009</b>		109,455	(718)	(1,978)	106,759
<b>Balance at 1 July 2010</b>		126,520	(413)	4,444	130,551
<b>Total comprehensive income for the half-year</b>		-	752	50,112	50,864
<b>Transactions with owners in their capacity as owners</b>					
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans		217	-	-	217
Dividend reinvestment plan share issues		24,136	-	-	24,136
Dividends paid	3	-	-	(55,805)	(55,805)
		24,353	-	(55,805)	(31,452)
<b>Balance at 31 December 2010</b>		150,873	339	(1,249)	149,963

*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 2010

	Half-year	
	2010	2009
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	232,292	225,349
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(150,281)</u>	<u>(154,967)</u>
	82,011	70,382
Dividends received	3,000	2,000
Interest received	707	219
Finance costs	(9,719)	(10,327)
Income taxes paid	<u>(14,756)</u>	<u>(15,411)</u>
<b>Net cash inflow from operating activities</b>	<u>61,243</u>	<u>46,863</u>
<b>Cash flows from investing activities</b>		
Payments for computer software	(2,203)	(2,028)
Payments for property, plant and equipment	(5,219)	(4,322)
Proceeds from sale of property, plant and equipment	<u>170</u>	<u>316</u>
<b>Net cash outflow from investing activities</b>	<u>(7,252)</u>	<u>(6,034)</u>
<b>Cash flows from financing activities</b>		
Proceeds relating to shares issued pursuant to the executive and employee share purchase plans	217	822
Proceeds from borrowings	34,000	70,000
Repayment of borrowings	(54,000)	(101,000)
Dividends paid to Company's shareholders	<u>(31,669)</u>	<u>(13,377)</u>
<b>Net cash outflow from financing activities</b>	<u>(51,452)</u>	<u>(43,555)</u>
<b>Net decrease in cash and cash equivalents</b>	2,539	(2,726)
Cash and cash equivalents at the beginning of the half-year	<u>12,065</u>	<u>14,982</u>
<b>Cash and cash equivalents at end of the half-year</b>	<u>14,604</u>	<u>12,256</u>

*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 2010

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

This general purpose financial report for the interim half-year reporting period ended 31 December 2010 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 2010 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 2010 annual report and corresponding half-year report.

### 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 2010

### 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 2010 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 2010</b>							
Total segment revenue	163,044	25,457	5,826	4,875	21,293	-	220,495
Inter-segment revenue	-	-	-	-	(11,758)	-	(11,758)
<b>Revenue from external customers</b>							
Interest received	163,044	25,457	5,826	4,875	9,535	-	208,737
	-	-	-	-	-	707	707
<b>Revenue from operations</b>							
	163,044	25,457	5,826	4,875	9,535	707	209,444
<b>Adjusted earnings before interest and tax (EBIT)</b>							
	64,634	7,359	2,403	1,709	3,734	(2,208)	77,631
<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 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>Total segment assets</b>							
31 December 2010	349,684	29,505	18,837	24,145	18,624	1,240	442,035
30 June 2010	351,546	29,313	18,165	23,220	18,201	845	441,290

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	
	2010	2009
	\$'000	\$'000
<b>Adjusted earnings before interest and tax (EBIT)</b>	77,631	78,340
Interest revenue	707	219
Interest paid	(7,618)	(8,658)
<b>Profit before income tax</b>	70,720	69,901



# West Australian Newspapers Holdings Limited

## Notes to the financial statements - 31 December 2010

### 3. Dividends

	Half-year	
	2010 \$'000	2009 \$'000
<b>Ordinary shares</b>		
Dividends provided for or paid during the half-year	55,805	21,071

#### Dividends not recognised at the end of the financial 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 (2009 - 19 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 31 March 2011, but not recognised as a liability at the end of the half-year, is

	41,497	40,296
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### 4. Equity securities issued

	Half-year		Half-year	
	2010 Shares	2009 Shares	2010 \$'000	2009 \$'000
<b>Balance at the beginning of the half-year</b>	214,167,596	210,044,210	126,520	100,949
<b>Issues of ordinary shares during the half-year</b>				
Proceeds received relating to the executive and employee share purchase plans	193,550	333,750	217	822
Dividend reinvestment plan issues	3,657,424	1,215,837	24,136	7,684
	3,850,974	1,549,587	24,353	8,506
<b>Balance at the end of the half-year</b>	218,018,570	211,593,797	150,873	109,455

### 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

On 21 February 2011 the Company announced that it had agreed to acquire Seven Media Group (SMG) and that it proposed to conduct associated capital raisings. SMG is one of Australia's leading media groups and includes a portfolio of Free-To-Air (FTA) television, magazine and online media assets. SMG is owned by entities associated with Seven Group Holdings Limited (SGH), Kohlberg Kravis Roberts & Co L.P. (KKR), mezzanine investors and members of management relating to SMG.

In conjunction with the proposed transaction the Company proposes to conduct:

- A fully underwritten accelerated non-renounceable pro rate entitlement offer of convertible unsecured loan securities (CULS);
- A fully underwritten general public offer of new ordinary shares (New Shares); and
- A placement of shares to KKR, mezzanine investors and members of management relating to SMG.

The transaction is dependent upon shareholders approval and other conditions.

Except for the dividend declared since the end of the financial year as described in note 3 and the proposed acquisition of SMG noted above, there are no matters or circumstances which have arisen since 31 December 2010 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 2010.

# West Australian Newspapers Holdings Limited

## Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 16, 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 2010 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  
21 February 2011



## **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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the West Australian Newspapers Holdings Limited 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### *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 2010 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.

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.



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

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 2010 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

PricewaterhouseCoopers

Henry

Nick Henry  
Partner

Perth  
21 February 2011

# West Australian Newspapers Holdings Limited

## Supplementary Appendix 4D information - 31 December 2010

	31 December 2010	30 June 2010
<b>NTA Backing</b>		
Net tangible asset backing per ordinary share (cents)	7.6	-

### 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 2010 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	9/9/10	30/9/10	26 cents	55,805	26 cents	-
Interim	9/3/11	31/3/11	19 cents	41,497	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 2011 interim dividend. Shares are issued under the plan at a price determined by the board.

### Associates

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	
	2010 %	2009 %	2010 \$'000	2009 \$'000
Community Newspaper Group Ltd	49.9%	49.9%	2,606	2,026
Bloo (WA) Pty Ltd	25.0%	-	-	-