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Company Announcements Office  
Australian Stock Exchange Limited  
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SYDNEY NSW 2000

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**THIRD QUARTER RESULTS**

Following are the third quarter results, as at 31 March 2010.

Yours faithfully

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

**Peter Bryant  
Chief Financial Officer & Company Secretary**

**08 9482 3138**



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

**MARCH 2010 – THIRD QUARTER RESULTS**

WAN today announced a trading profit after tax of \$22.0m for the quarter ended 31 March 2010, up 14.4% on the same quarter last year.

Year to date the result reflects a period on period decline of 8.0%, an improvement on the 15.5% recorded in the December 2009 half.

WAN CEO, Chris Wharton, said :

“I am pleased with the result achieved for the March quarter. The result shows the continuing improvement that we started to see in late November and December. It reflects not only an improving advertising environment but also our efforts to manage our cost base while improving our newspapers.

“Within The West Australian we saw gross advertising revenue for the quarter record period on period growth of 8.9%. We also took advantage of the traditionally quiet post Christmas period to review, reinvigorate and relaunch our two primary Saturday newspaper inserted magazines, West Weekend and Seven Days.

“These updated products have been well received. I am confident they, coupled with the ongoing improvement of the newspaper, will deliver a positive impact on the business.

“Business for the remainder of the year appears to be solid with continuing recovery over relatively weak prior year comparatives. Our focus is to take business decisions to improve our performance for the years ahead and to deliver a satisfactory outcome in 2010.

WANH GROUP SUMMARY	3 Months to 31 March		9 Months to 31 March	
	2010 \$M	Variance (period to period)	2010 \$M	Variance (period to period)
<b>RESULTS FROM CONTINUING OPERATIONS</b>				
Revenue	100.9	6.7%	306.2	(4.7%)
EBITDA (Earnings before Depreciation, Interest and Tax)	40.6	10.5%	129.2	(7.5%)
Depreciation	(5.3)	1.7%	(15.5)	0.6%
EBIT (Earnings before Interest and Tax)	35.3	11.9%	113.7	(8.5%)
Net Interest Expense	(4.1)	(2.2%)	(12.6)	(12.5%)
Earnings before Tax	31.2	14.1%	101.1	(8.0%)
Tax	(9.2)	13.6%	(29.6)	(8.0%)
<b>NET TRADING PROFIT</b>	<b>22.0</b>	<b>14.4%</b>	<b>71.5</b>	<b>(8.0%)</b>

WANH BUSINESS UNIT RESULTS	3 Months to 31 March		9 Months to 31 March	
	2010 \$M	Variance (period to period)	2010 \$M	Variance (period to period)
<b>Revenue from Continuing Operations (excluding Interest and Dividends)</b>				
The West Australian (including Magazines)	80.2	5.6%	241.5	(6.2%)
Regionals	11.0	9.3%	33.9	(2.8%)
Radio	1.9	14.5%	6.9	11.3%
Digital Publishing	0.3	(17.4%)	0.8	(27.3%)
Quokka	3.1	7.3%	9.1	5.8%
Other	4.4	21.1%	14.0	2.2%
<b>TOTAL</b>	<b>100.9</b>	<b>6.7%</b>	<b>306.2</b>	<b>(4.8%)</b>
<b>EBIT</b>				
The West Australian (including Magazines)	31.2	5.1%	99.1	(13.4%)
Regionals	2.6	19.4%	8.9	(1.1%)
Radio	0.5	24.5%	2.6	36.8%
Digital Publishing	(0.5)	(56.6%)	(1.4)	(65.0%)
Quokka	1.2	6.5%	3.5	12.9%
Community Newspaper (49.9%)	0.9	27.7%	2.9	(19.4%)
Corporate Costs and Other	(0.6)	(61.0%)	(1.9)	(48.6%)
<b>TOTAL</b>	<b>35.3</b>	<b>11.9%</b>	<b>113.7</b>	<b>(8.5%)</b>

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

## THE WEST AUSTRALIAN

The West Australian, including magazines, recorded EBIT for the March quarter of \$31.2m, up 5.1% period on period.

Total revenue for The West Australian, including magazines, for the quarter was \$80.2m, up 5.6% period on period. The revenue growth was driven by an 8.9% increase in total gross advertising revenue.

Circulation revenue declined by 3.8% reflecting a reduction in circulation and increased distributor remuneration. Internal data reflects circulation numbers are likely to soften for the March audit.

The table below reflects the movement in advertising revenue, by category, for the three and nine months ended 31 March 2010.

<b>GROSS ADVERTISING REVENUE MOVEMENT BY CATEGORY IN THE WEST AUSTRALIAN</b>		
	<b>Increase / Decrease Period on Period</b>	
	<b>3 Months to 31 March 2010</b>	<b>9 Months to 31 March 2010</b>
Display National	15.4%	2.1%
Display Local	13.2%	(5.4%)
<b>TOTAL DISPLAY</b>	<b>14.0%</b>	<b>(2.7%)</b>
Classifieds Real Estate	0.6%	(20.7%)
Classifieds Employment	18.6%	(27.4%)
Classifieds Motors	7.4%	(3.7%)
Classifieds Other	(0.2%)	2.3%
<b>TOTAL CLASSIFIEDS</b>	<b>5.6%</b>	<b>(13.3%)</b>
New Homes	(3.0%)	7.7%
<b>TOTAL GROSS ADVERTISING</b>	<b>8.9%</b>	<b>(7.4%)</b>

## EXPENSES

EXPENSES IN THE WEST AUSTRALIAN				
	3 Months to 31 March		9 Months to 31 March	
	2010 \$M	Variance (period to period)	2010 \$M	Variance (period to period)
Total Personnel Costs	18.9	4.1%	56.0	0.5%
Newsprint	9.5	0.6%	28.2	(5.6%)
Distribution (Road & Air Freight)	3.5	3.4%	10.7	(3.6%)
Depreciation	4.6	0.8%	13.5	-
Other	9.8	22.3%	25.7	7.1%
<b>TOTAL</b>	<b>46.3</b>	<b>6.3%</b>	<b>134.1</b>	<b>-</b>

Total personnel costs within The West Australian increased 4.1% for the quarter. As advised with the release of the half year results, savings achieved as a consequence of the voluntary redundancy program have been offset in part by the reallocation of some Group resources and salary and wage increases. At a consolidated level personnel costs remain down.

Other expenditure includes a bad debt of \$793k, relating to TMP Worldwide, who went into Administration during the quarter, and a local distribution agent who became bankrupt.

## REGIONALS

The Regional Group recorded EBIT for the quarter of \$2.6m, up 19.4% period on period.

## RADIO

The Radio Group continues to perform well, with EBIT for the quarter of \$0.5m, up 24.5% period on period.

## DIGITAL PUBLISHING

Digital recorded a loss for the quarter of \$0.5m, compared to a loss of \$1.1m for the corresponding period last year, due to a significant and sustainable reduction in the cost base. Digital revenue fell 17.4% for the quarter due to the impact of the revenue sharing agreements with its on-line partners.

## QUOKKA

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

For further information:

Mr Chris Wharton  
Chief Executive Officer

Mr Peter Bryant  
Chief Financial Officer &  
Company Secretary

# West Australian Newspapers Holdings Limited

## Report on the results for the nine months ended 31 March 2010

	Current period \$A'000	Previous corresponding period \$A'000
<b>Consolidated statement of comprehensive income</b>		
1.1 Revenue from continuing operations (net of commissions, discounts and rebates) (item 1.13)	305,963	321,839
1.2 Other income (item 1.14)	467	20
1.3 Expenses excluding finance costs (item 1.15)	(193,145)	(199,584)
1.4 Finance costs	(15,110)	(15,961)
1.5 Share of net profit of associate accounted for using the equity method	2,910	3,602
<b>1.6 Profit before income tax</b>	<b>101,085</b>	<b>109,916</b>
1.7 Income tax expense (item 1.16)	(29,616)	(32,185)
<b>1.8 Profit attributable to the ordinary equity holders of the Company</b>	<b>71,469</b>	<b>77,731</b>
<b>Other comprehensive income</b>		
Interest rate hedges	3,543	(15,347)
Income tax relating to components of other comprehensive income	(1,063)	4,604
<b>1.9 Other comprehensive income for the period, net of tax</b>	<b>2,480</b>	<b>(10,743)</b>
<b>Total comprehensive income for the period attributable to ordinary equity holders of the Company</b>	<b>73,949</b>	<b>66,988</b>

	Current period	Previous corresponding period
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>		
1.11 Basic earnings per share	33.9 cents	37.7 cents
1.12 Diluted earnings per share *	33.5 cents	37.1 cents

\* Diluted due to shares relating to outstanding loans pursuant to the executive and employee share plans treated as options under AIFRS.

# West Australian Newspapers Holdings Limited

## Report on the results for the nine months ended 31 March 2010

	Current period \$A'000	Previous corresponding period \$A'000
<b>Revenue and expenses</b>		
<b>Revenue from continuing operations</b>		
<i>Sales revenue</i>		
Advertising	227,375	242,054
Circulation	57,644	60,898
Commercial printing	9,800	7,023
Rendering of services	7,746	7,490
Other	2,693	3,512
	<b>305,258</b>	<b>320,977</b>
<i>Other revenue</i>		
Interest revenue	329	517
Rents	376	345
	<b>705</b>	<b>862</b>
<b>1.13 Revenue from continuing operations (item 1.1)</b>	<b>305,963</b>	<b>321,839</b>
<b>Other income</b>		
<b>Net gain on disposal of property, plant and 1.14 equipment (item 1.2)</b>	<b>467</b>	<b>20</b>
<b>Expenses excluding finance costs</b>		
Depreciation	(15,550)	(15,387)
Editorial contributions	(2,263)	(2,336)
Electricity	(1,664)	(1,489)
Maintenance agreements	(2,256)	(2,869)
Marketing and promotion expenses	(4,026)	(4,216)
Newsprint consumed	(41,927)	(41,821)
News services	(2,140)	(2,123)
Personnel costs including payroll tax	(83,062)	(86,551)
Raw materials and consumables used (excluding newsprint)	(7,141)	(7,056)
Repairs and maintenance	(2,327)	(2,040)
Road and air freight	(13,089)	(13,435)
Telephones	(1,012)	(1,039)
Other expenses from ordinary activities	(16,688)	(19,222)
<b>1.15 Expenses excluding finance costs (item 1.3)</b>	<b>(193,145)</b>	<b>(199,584)</b>

# West Australian Newspapers Holdings Limited

## Report on the results for the nine months ended 31 March 2010

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	Current period \$A'000	Previous corresponding period \$A'000
<b>Income tax expense</b>		
The numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Profit before income tax expense (item 1.6)	101,085	109,916
Tax at the Australian tax rate of 30%	(30,326)	(32,975)
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:		
Building construction allowance	513	305
Non-deductible depreciation and amortisation	(391)	(269)
Non-deductible expenses	(444)	(326)
Share of net profit of associate	873	1,080
	(29,775)	(32,185)
Previously unrecognised tax losses now recouped to reduce current tax expense	159	-
<b>1.16 Income tax expense (item 1.7)</b>	<b>(29,616)</b>	<b>(32,185)</b>

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### Dividends paid

2.1 Final dividend of 10 cents per share (previous corresponding period - 32 cents), fully franked based on tax paid at 30%, paid on 30 September 2009 (previous corresponding period - 30 September 2008)	21,071	66,244
2.2 Interim dividend of 19 cents per share (previous corresponding period - 23 cents), fully franked based on tax paid at 30%, paid on 30 March 2010 (previous corresponding period - 31 March 2009)	40,309	47,657
<b>2.3 Total dividends paid</b>	<b>61,380</b>	<b>113,901</b>

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### Control gained over entities during the current period

3.1 There was no control gained over entities having material effect during the current period.

### Loss of control of entities having material effect during the current period

3.2 There was no loss of control of entities having material effect during the current period.

### Segment reporting

4.1 Refer commentary attached to this report.

# West Australian Newspapers Holdings Limited

## Report on the results for the nine months ended 31 March 2010

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### Commentary on Group results

5.1 Refer commentary attached to this report.

### Basis of financial report preparation

5.2 This report should be read in conjunction with the last annual report and any announcements to the market made by the Consolidated Entity during the period. This report does not include all the notes of the type normally included in an annual report. Comparative information is reclassified where appropriate to enhance comparability.

### Changes in accounting policies since the last annual report

5.3 There have been no changes in accounting policies since the last annual report affecting this report.

### Compliance statement

- 6.1 This report has been prepared in accordance with the recognition and measurement requirements of Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.
- 6.2 This report, and the accounts upon which the report is based, use the same accounting policies.
- 6.3 This report does give a true and fair view of the matters disclosed.
- 6.4 This report is based on accounts which have not been audited or reviewed.
- 6.5 The Entity has a formally constituted audit committee.

This report was approved by resolution of the Board of Directors on 27 April 2010.



P.J. Bryant  
Chief Financial Officer & Company Secretary

27 April 2010