

# **APN News & Media Limited and its Controlled Entities**

## **ASX Half-year information 30 June 2010**

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**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**

A.B.N. 95 008 637 643

**RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF-YEAR ENDED 30 JUNE 2010****(PREVIOUS CORRESPONDING PERIOD: HALF-YEAR ENDED 30 JUNE 2009)**

				<b>\$m</b>
<b>Underlying</b>				
Revenue and other income– constant currency – refer note 2	up	1.8%	to	<b>508.3</b>
Net profit before exceptional items and discontinued operations	up	11.1%	to	<b>40.0</b>
<b>As reported</b>				
Revenue and other income	down	0.2%	to	<b>509.4</b>
Net profit attributable to members of the parent entity	up	4.9%	to	<b>39.0</b>

<b>Dividends/distributions</b>	Amount per security	Franked amount per security
Final dividend 2009 – Paid 30 March 2010	4.0 cents	4.0 cents
Interim dividend	5.0 cents	Nil

**Record date** for determining entitlements to the interim dividend

7 September 2010

For further comments, refer to press release.

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**A.B.N. 95 008 637 643**  
**HALF-YEAR REPORT – 30 JUNE 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 31 December 2009 and any public announcements made by APN News & Media Limited during the interim reporting period and up to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## **APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**

**A.B.N. 95 008 637 643**

### **DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of APN News & Media Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2010.

#### **1. Directors**

The directors of the company at any time during the period ended 30 June 2010 or up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated:

Gavin Karl O'Reilly (Chairman)  
Albert Edward Harris (Deputy Chairman)  
Brendan Michael Anthony Hopkins (Chief Executive)  
Donal Joseph Buggy  
Pierce Patrick Cody  
Peter Maxwell Cosgrove  
Vincent Conor Crowley  
Kevin John Luscombe  
John Hendrik Maasland  
Anthony Cameron O'Reilly

#### **2. Review of Operations**

The key highlights of the results of the company for the half year are:

- Net profit after tax attributable to members of the parent entity up 5% to \$39.0m and up 11% to \$40.0m before exceptional items and discontinued operations.
- Net cash inflow from operating activities of \$85.9m compared to \$55.2m in the prior corresponding period.
- Dividend of 5.0 cents, up 25% from 2009 final dividend.

Refer to market announcement for additional details.

#### **3. Dividends**

The directors of the company have declared an unfranked interim dividend of 5.0 cents per ordinary share to be paid for the half-year ended 30 June 2010.

#### **4. Rounding of Amounts to nearest Thousand Dollars**

The company is of a kind referred to in Class Order 98/0100 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.

#### **5. Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, follows immediately after the Directors' Report.

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



**GK O'Reilly**  
Director



**BMA Hopkins**  
Director

18 August 2010  
Sydney

PricewaterhouseCoopers  
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### Auditor's Independence Declaration

As lead auditor for the review of APN News & Media Limited for the half-year ended 30 June 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 APN News & Media Limited and the entities it controlled during the period.



DS Wiadrowski  
Partner  
PricewaterhouseCoopers

Sydney  
18 August 2010

# CONSOLIDATED INCOME STATEMENT

HALF-YEAR ENDED 30 JUNE 2010

	Note	June 2010 \$'000	June 2009 \$'000 Restated
Revenue before finance income	2	507,448	504,835
Other income		1,933	5,772
Expenses before finance costs		(422,527)	(432,732)
Finance income		412	581
Finance costs		(25,343)	(26,104)
Net finance costs		(24,931)	(25,523)
Share of profits of associates		641	1,141
<b>Profit before tax</b>		<b>62,564</b>	53,493
Income tax expense	5	(13,096)	(4,064)
<b>Profit from continuing operations</b>		<b>49,468</b>	49,429
Loss from discontinued operations	1	(510)	(937)
<b>Profit for the period</b>		<b>48,958</b>	48,492
Profit attributable to minority interest		(9,976)	(11,333)
<b>Profit attributable to members of the parent entity</b>		<b>38,982</b>	37,159
<b>EPS from continuing operations</b>			
Basic/diluted EPS		6.6 cents	7.3 cents
<b>EPS from continuing and discontinued operations</b>			
Basic/diluted EPS		6.5 cents	7.2 cents
<b>Reconciliation of Profit</b>			
<b>Profit attributable to owners of the parent entity</b>		<b>38,982</b>	37,159
Less impact of :			
Exceptional items, net of tax and minority interest		473	(2,118)
Loss from discontinued operations		510	937
Profit before exceptional items and discontinued operations		<b>39,965</b>	35,978
Basic/diluted EPS from profit before exceptional items and discontinued operations		<b>6.7 cents</b>	6.9 cents

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HALF-YEAR ENDED 30 JUNE 2010

	June 2010 \$'000	June 2009 \$'000 Restated
<b>Profit for the period</b>	<b>48,958</b>	48,492
Exchange differences on translation of foreign operations	<b>9,150</b>	(39,331)
Exchange and other differences applicable to minority interest	<b>503</b>	(6,197)
Changes in fair value of hedges	<b>(1,482)</b>	570
<b>Other comprehensive income after tax</b>	<b>8,171</b>	(44,958)
<b>Total comprehensive income</b>	<b>57,129</b>	3,534
<b>Total comprehensive income attributable to:</b>		
Owners of the parent entity	<b>46,650</b>	(1,602)
Minority interest	<b>10,479</b>	5,136
	<b>57,129</b>	3,534

## CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2010

	Note	June 2010 \$'000	Dec 2009 \$'000
<b>Current assets</b>			
Cash and cash equivalents		41,633	32,727
Receivables		163,708	176,640
Inventories		8,960	9,569
Tax assets		1,046	754
Other		26,181	23,967
		<b>241,528</b>	<b>243,657</b>
Assets held for sale		12,207	15,072
Total current assets		<b>253,735</b>	<b>258,729</b>
<b>Non-current assets</b>			
Receivables		5,316	4,224
Other financial assets		26,510	27,130
Investments accounted for using the equity method		40,239	39,190
Property, plant and equipment		259,809	266,934
Intangible assets	7	1,617,692	1,604,436
Total non-current assets		<b>1,949,566</b>	<b>1,941,914</b>
<b>Total assets</b>		<b>2,203,301</b>	<b>2,200,643</b>
<b>Current liabilities</b>			
Payables		120,996	118,327
Derivative financial instruments		2,030	814
Interest bearing liabilities		21,244	20,280
Current tax provisions		10,816	6,267
Provisions		6,043	7,760
		<b>161,129</b>	<b>153,448</b>
Liabilities directly associated with assets held for sale		12,005	10,356
Total current liabilities		<b>173,134</b>	<b>163,804</b>
<b>Non-current liabilities</b>			
Payables		2,934	3,272
Interest bearing liabilities		717,663	762,700
Deferred tax liabilities		119,342	113,310
Provisions		1,026	1,021
Total non-current liabilities		<b>840,965</b>	<b>880,303</b>
<b>Total liabilities</b>		<b>1,014,099</b>	<b>1,044,107</b>
<b>Net assets</b>		<b>1,189,202</b>	<b>1,156,536</b>
<b>Equity</b>			
Contributed equity	8	1,032,803	1,024,815
Reserves		(35,882)	(43,550)
Accumulated losses		(33,002)	(48,172)
Total parent entity interest		963,919	933,093
Minority interest		225,283	223,443
<b>Total equity</b>		<b>1,189,202</b>	<b>1,156,536</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000	Minority interest \$'000	Total equity \$'000
Balance at 1 January 2010		1,024,815	(43,550)	(48,172)	<b>933,093</b>	223,443	<b>1,156,536</b>
Total comprehensive income		-	7,668	38,982	<b>46,650</b>	10,479	<b>57,129</b>
Transactions with equity holders							
Contributions of equity		7,988	-	-	<b>7,988</b>	-	<b>7,988</b>
Dividends paid		-	-	(23,812)	<b>(23,812)</b>	-	<b>(23,812)</b>
Equity transactions with minority interests		-	-	-	-	(8,639)	<b>(8,639)</b>
<b>Total equity at 30 June 2010</b>		<b>1,032,803</b>	<b>(35,882)</b>	<b>(33,002)</b>	<b>963,919</b>	<b>225,283</b>	<b>1,189,202</b>
Balance at 1 January 2009		920,802	(28,268)	(76,375)	816,159	233,233	1,049,392
Total comprehensive income		-	(38,761)	37,159	(1,602)	5,136	3,534
Transactions with equity holders							
Transfer on adoption of AASB 9	1	-	5,575	(5,575)	-	-	-
Contributions of equity		103,308	-	-	103,308	-	103,308
Dividends paid		-	-	(58,850)	(58,850)	-	(58,850)
Equity transactions with minority interests		-	-	-	-	(15,069)	(15,069)
<b>Total equity at 30 June 2009</b>		<b>1,024,110</b>	<b>(61,454)</b>	<b>(103,641)</b>	<b>859,015</b>	<b>223,300</b>	<b>1,082,315</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Note	June 2010 \$'000	June 2009 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		583,410	592,997
Payments to suppliers and employees		(466,995)	(507,235)
Dividends received		336	420
Interest received		412	581
Interest paid		(21,578)	(21,925)
Income taxes paid		(9,644)	(9,613)
<b>Net cash inflows from operating activities</b>		<b>85,941</b>	<b>55,225</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(11,205)	(12,367)
Payments for software		(688)	(8)
Payments for other intangible assets		(70)	(510)
Payments for investments		-	(2,173)
Proceeds from sale of property, plant & equipment		1,721	2,254
Proceeds from sale of controlled entities		-	13,012
Dividends received from associate		2,351	-
Other		253	77
<b>Net cash (outflows)/inflows from investing activities</b>		<b>(7,638)</b>	<b>285</b>
<b>Cash flows from financing activities</b>			
Loans repaid by/(advanced to)			
Director related entities		-	(5)
Associates		1,924	3,842
Other entities		(92)	777
Proceeds from borrowings		69,179	88,387
Repayment of borrowings		(115,839)	(256,000)
Payments for borrowing costs		-	(1,409)
Principal funding/(repayments) under finance leases		(1,110)	248
Proceeds from sale and leaseback transaction		-	53,875
Proceeds from issues of shares	8	-	96,603
Dividends paid to shareholders		(15,824)	(52,145)
Payments to minority interest		(8,639)	(15,069)
<b>Net cash flows from financing activities</b>		<b>(70,401)</b>	<b>(80,896)</b>
<b>Change in cash and cash equivalents</b>		<b>7,902</b>	<b>(25,386)</b>
Cash and cash equivalents at the beginning of the period		32,727	58,721
Effects of exchange rate changes		1,004	(3,333)
<b>Cash and cash equivalents at the end of the period</b>		<b>41,633</b>	<b>30,002</b>

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2010**

**1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by APN News & Media Limited during the interim reporting period and up to the date of this report 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.

In the 2009 Annual Report the Group elected to early adopt AASB9 *Financial Instruments* with 31 December 2009 as the date of initial application. The amounts for the period to 30 June 2009 have been restated to reflect this change in accounting policy, with the impact being a reversal of the \$6.6m impairment of listed investments and the recognition of the fair value movement of a \$1.1m loss through the income statement. The Group elected not to restate prior periods and therefore an unrealised loss of \$5.6m was transferred from investment revaluation reserve to retained earnings at 1 January 2009.

Consistent with the 2009 Annual Report the Auckland heatset printing business has been treated as a discontinued operation.

	<b>June 2010</b>	June 2009
	<b>\$'000</b>	\$'000
		Restated
<b>2. REVENUE BEFORE FINANCE INCOME</b>		
Advertising revenue	<b>505,187</b>	502,810
Sale of goods	<b>2,261</b>	2,025
<b>Revenue before finance income</b>	<b>507,448</b>	504,835

**UNDERLYING REVENUE**

Revenue before finance income	<b>507,448</b>	504,835
Other income before exceptional gains	<b>872</b>	2,257
Translation of 2009 revenues at 2010 exchange rates	<b>-</b>	(7,837)
<b>Trading Revenue – constant currency</b>	<b>508,320</b>	499,255

**3. EXCEPTIONAL ITEMS**

Gain on disposal of properties	<b>1,061</b>	-
Profit on sale of business	<b>-</b>	3,515
Redundancies and associated costs	<b>(958)</b>	(5,081)
Project planning and implementation costs	<b>-</b>	(271)
NZ music royalties	<b>(1,847)</b>	-
Multimedia restructure	<b>(905)</b>	(1,242)
Reversal of impairment of investment in associate	<b>3,000</b>	3,000
	<b>351</b>	(79)
Income tax credit	<b>1,113</b>	1,978
Impact of New Zealand tax changes	<b>(2,356)</b>	-
Minority interest	<b>419</b>	219
<b>Exceptional items, net of tax and minority interest</b>	<b>(473)</b>	2,118

NZ music royalties above represent backdated payments since 2007 following the conclusion of the music royalty rate litigation between the NZ radio industry and the governing body.

Impact of NZ budget changes above comprises the impact of the removal of the tax depreciation allowance in respect of buildings as well as the impact on deferred tax balances resulting from the reduction in the corporate income tax rate from 30% to 28% effective January 2011.

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2010**

**4. SEGMENT INFORMATION**

<b>JUNE 2010</b> <b>\$'000</b>	<b>Australian Regional Media</b>	<b>NZ Media</b>	<b>Australian Radio</b>	<b>NZ Radio</b>	<b>Outdoor</b>	<b>Unallocated</b>	<b>TOTAL</b>
Sales to external customers	140,461	156,357	61,033	40,208	109,389	-	<b>507,448</b>
Other income	-	-	-	-	-	872	<b>872</b>
<b>Total income (before finance income)</b>	<b>140,461</b>	<b>156,357</b>	<b>61,033</b>	<b>40,208</b>	<b>109,389</b>	<b>872</b>	<b>508,320</b>
Finance income	-	-	-	-	-	412	<b>412</b>
Other income – exceptionals	-	-	-	-	-	1,061	<b>1,061</b>
<b>Total revenue and other income</b>	<b>140,461</b>	<b>156,357</b>	<b>61,033</b>	<b>40,208</b>	<b>109,389</b>	<b>2,345</b>	<b>509,793</b>
Segment result	28,884	34,011	21,286	4,534	6,869	(8,440)	<b>87,144</b>
Net finance costs	-	-	-	-	-	(24,931)	<b>(24,931)</b>
Income tax expense (pre exceptionals)	-	-	-	-	-	(11,853)	<b>(11,853)</b>
	<b>28,884</b>	<b>34,011</b>	<b>21,286</b>	<b>4,534</b>	<b>6,869</b>	<b>(45,224)</b>	<b>50,360</b>
Exceptional items after tax	-	-	-	-	-	(892)	<b>(892)</b>
<b>Profit from continuing operations (post exceptionals)</b>	<b>28,884</b>	<b>34,011</b>	<b>21,286</b>	<b>4,534</b>	<b>6,869</b>	<b>(46,116)</b>	<b>49,468</b>

<b>JUNE 2009</b> <b>\$'000</b> Restated	<b>Australian Regional Media</b>	<b>NZ Media</b>	<b>Australian Radio</b>	<b>NZ Radio</b>	<b>Outdoor</b>	<b>Unallocated</b>	<b>TOTAL</b>
Sales to external customers	131,405	157,121	59,515	41,492	115,302	-	<b>504,835</b>
Other income	-	-	-	-	-	2,257	<b>2,257</b>
<b>Total income (before finance income)</b>	<b>131,405</b>	<b>157,121</b>	<b>59,515</b>	<b>41,492</b>	<b>115,302</b>	<b>2,257</b>	<b>507,092</b>
Finance income	-	-	-	-	-	581	<b>581</b>
Other income – exceptionals	-	-	-	-	-	3,515	<b>3,515</b>
<b>Total revenue and other income</b>	<b>131,405</b>	<b>157,121</b>	<b>59,515</b>	<b>41,492</b>	<b>115,302</b>	<b>6,353</b>	<b>511,188</b>
Segment result	25,778	30,057	22,184	5,723	3,646	(8,293)	<b>79,095</b>
Net finance costs	-	-	-	-	-	(25,523)	<b>(25,523)</b>
Income tax expense (pre exceptionals)	-	-	-	-	-	(6,042)	<b>(6,042)</b>
	<b>25,778</b>	<b>30,057</b>	<b>22,184</b>	<b>5,723</b>	<b>3,646</b>	<b>(39,858)</b>	<b>47,530</b>
Exceptional items after tax	-	-	-	-	-	1,899	<b>1,899</b>
<b>Profit from continuing operations (post exceptionals)</b>	<b>25,778</b>	<b>30,057</b>	<b>22,184</b>	<b>5,723</b>	<b>3,646</b>	<b>(37,959)</b>	<b>49,429</b>

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2010**

	<b>June 2010</b>	June 2009
	<b>\$'000</b>	\$'000
		Restated
<b>5. INCOME TAX EXPENSE</b>		
Income tax expense differs from the amount prima facie payable as follows:		
Profit before income tax expense	<b>62,564</b>	53,493
Prima facie income tax at 30%	<b>18,769</b>	16,048
Tax effect of permanent differences:		
Differences in international tax treatments	<b>(8,111)</b>	(11,941)
Reversal of impairment of investment	<b>(900)</b>	(900)
Other	<b>570</b>	622
Prima facie tax adjusted for permanent differences	<b>10,328</b>	3,829
Over provision in prior years	<b>412</b>	235
Impact of New Zealand tax changes	<b>2,356</b>	-
Income tax expense	<b>13,096</b>	4,064

**6. DIVIDENDS**

**Ordinary Shares**

Dividends provided for and/or paid during the half-year	<b>23,812</b>	58,850
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**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 unfranked interim dividend of 5.0 cents per share (2009 – nil). The aggregate amount of the proposed dividend expected to be paid on 28 September 2010 but not recognised as a liability at the end of the half-year

<b>29,941</b>	-
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	<b>June 2010</b>	Dec 2009
	<b>\$'000</b>	\$'000
<b>7. INTANGIBLE ASSETS</b>		
Goodwill	<b>200,660</b>	197,771
Software – net of accumulated amortisation	<b>3,553</b>	3,939
Mastheads – at cost less provision for impairment	<b>1,006,794</b>	997,927
Radio Licences – net of accumulated amortisation	<b>306,195</b>	307,059
Transit and outdoor advertising systems – at cost	<b>54,713</b>	54,713
Brands – at cost	<b>44,109</b>	41,167
Lease intangibles – net of accumulated amortisation	<b>1,668</b>	1,860
	<b>1,617,692</b>	1,604,436

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2010**

**8. EQUITY SECURITIES ISSUED**

	<b>June 2010</b>	June 2009	<b>June 2010</b>	June 2009
	<b>No. of shares</b>	No. of shares	<b>\$'000</b>	\$'000
<b>Balance at start of period</b>	<b>595,311,925</b>	490,413,398	<b>1,024,815</b>	920,802
Issue of ordinary shares – Non-Renounceable Entitlement Offer	-	99,280,471	-	99,280
Share Issue Costs	-	-	-	(2,677)
Dividend Reinvestment Plan	<b>3,511,928</b>	5,618,056	<b>7,988</b>	6,705
	<b>598,823,853</b>	104,898,527	<b>7,988</b>	103,308
<b>Balance at end of period</b>	<b>598,823,853</b>	595,311,925	<b>1,032,803</b>	1,024,110

**Non-Renounceable Pro-Rata Entitlement Offer**

During the prior period, the company issued 99,280,471 shares via a Non-Renounceable Pro-Rata Entitlement Offer to all shareholders. Net proceeds of this Offer, after issuance costs, were \$96.6m which has been used to reduce debt and strengthen our balance sheet.

**9. CONTINGENT LIABILITIES**

**Guarantees**

The parent entity and all wholly owned controlled entities have provided guarantees in respect of its credit facilities. As at 30 June 2010, the facilities have been drawn to the extent of \$743,800,618 (December 2009: \$788,547,470).

The parent entity and some wholly owned controlled entities have given guarantees in respect of certain banking facilities to a maximum of \$45,000,000 (December 2009: \$45,000,000).

**Claims**

Claims for damages are made against the consolidated entity from time to time in the ordinary course of business. The directors are not aware of any claim that is expected to result in significant costs or damages.

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**A.B.N. 95 008 637 643**  
**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 14 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 30 June 2010 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company 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.



**GK O'Reilly**  
Director



**BMA Hopkins**  
Director

18 August 2010  
Sydney

## Independent auditor's review report to the members of APN News & Media Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of APN News & Media Limited which comprise the balance sheet as at 30 June 2010, and the income statement, 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 APN News & Media Limited Group (the consolidated entity). The consolidated entity comprises both APN News & Media 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 30 June 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 APN News & Media 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.

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

**Independent auditor's review report to the members of  
APN News & Media Limited (continued)**

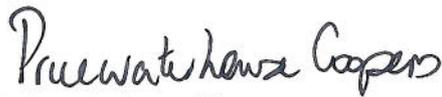
*Independence*

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 APN News & Media 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 30 June 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



DS Wiadrowski  
Partner

Sydney  
18 August 2010

**APN NEWS & MEDIA PTY LIMITED**  
**SUPPLEMENTARY APPENDIX 4D INFORMATION**

**Net tangible assets per share**

	<b>June 2010</b>	June 2009
Net tangible asset backing per ordinary share	<b>(\$0.75)</b>	(\$0.88)
Net asset backing per ordinary share	<b>\$1.61</b>	\$1.44

**Controlled entities acquired or disposed of:**

None

**Additional dividend/distributions information**

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 30 June 2010 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend \$'000	Franked amount per security	Foreign sourced dividend amount per security
9 March 2010	30 March 2010	Final	4.0 cents	\$23,812	4.0 cents	Nil
7 September 2010	28 September 2010	Interim	5.0 cents	\$29,941	Nil	Nil

**Associates and Joint Venture entities**

<i>Name</i>	Ownership interest		Aggregate share of profits, where material		Contribution to net profit, where material	
	<b>2010</b> %	2009 %	<b>2010</b> \$000	2009 \$000	<b>2010</b> \$000	2009 \$000
Adshel Street Furniture Limited	<b>50%</b>	50%	<b>723</b>	1,000	<b>723</b>	1,000

**Dividend reinvestment plan**

Shareholders may participate in the Company's dividend reinvestment plan (DRP) for the interim dividend for the half year ended 30 June 2010. In accordance with the DRP Terms and Conditions, the DRP Price will be 97.5% of the weighted average sale price for APN shares sold on the ASX during the period from 8 September 2010 to 14 September 2010 inclusive. The last date for the receipt of an election notice for participation in the DRP for the final dividend is 7 September 2010.