



**APN News & Media Limited Annual General Meeting
SYDNEY, 8 May 2014**

Chairman's Address to Shareholders

The last 12 months have been a period of significant change for APN on a number of fronts and I am particularly pleased to report that these changes have already contributed to positive results for the Company. The appointment of Michael Miller as Chief Executive Officer in June 2013 with his media experience in senior operational roles is one of the drivers of APN's improved position today.

Michael has already demonstrated his ability to execute on our strategy to wholly-own growth assets, through acquiring full ownership of our radio networks in Australia and New Zealand, as well as other changes including the sale of brandsExclusive and the sale of our remaining share of APN Outdoor. Michael will speak a little more to each of these transactions.

Entitlement offer

The acquisition of the remaining share of our radio businesses means that APN is now a more significant radio player – taking full ownership allows us to develop and grow a successful media asset that has great scope for innovation in the digital world, for example with iHeartRadio.

To help fund the acquisition, APN undertook a 5 for 9 pro rata accelerated non-renounceable entitlement offer to raise \$132 million. The structure of the entitlement offer ensured funding certainty in a situation where the Company had very limited time to complete the acquisition with our joint venture partner Clear Channel.

I wish to thank you, our shareholders, for your strong support of the entitlement offer. The Board remains focused on creating value for shareholders.

Publishing

Publishing continues to play an important role within APN. Although not perceived as a growth asset, we will continue to manage our newspapers with diligence and dedication. We will explore all options with other industry players in a range of areas including printing and distribution to further reduce costs and extend their lives.

Financial results

Turning to financial performance, 2013 marked a return to growth for APN. On revenues of \$817 million, the Company recorded NPAT before exceptional items of \$59.5 million, an increase of 10% on the prior year. EBITDA from continuing operations before exceptional items was \$163 million, an increase of 8% on the prior year. This is APN's best EBITDA growth rate since 2005.

This result was due to:

- strong earnings growth in our radio businesses;
- a record result for our outdoor business Adshel;
- significant cost reductions in our publishing businesses; and
- the effect of asset disposals.

Our focus on generating cash resulted in a further debt reduction in 2013. Cash inflows for the year were \$63 million, considerably ahead of our \$40 million to \$50 million target. APN's overall net debt at the end of the year was \$437 million.

The Board decided not to pay a final dividend for 2013, which is consistent with our focus on strengthening APN's balance sheet.

Board update

I would like to thank Deputy Chairman Ted Harris and Chief Financial Officer Jeff Howard for their assistance in leading APN during the first half of last year. The operations of the Company were managed by a leadership team comprised of Ted, Jeff and myself until Michael commenced in June.

At our last Annual General Meeting, I shared with you the Board's commitment to appoint at least two new non-executive Directors before the end of the year. Today, I am pleased to have already introduced you to Anne Templeman-Jones and Peter Cullinane, who joined the Board as non-executive Directors in June and November respectively. Anne brings a wealth of experience in the areas of finance, strategy, risk and governance to the Board and is now Chair of our Audit Committee, as well as a member of our Remuneration Committee. Peter is based in New Zealand and has an extensive background in advertising and marketing. He is also a member of our Remuneration Committee.

The renewed Board is small and highly engaged, enabling quick, informed decisions to be made. The policies of the Board and management are firmly aligned.

Conclusion

On behalf of the Board, I would like to thank all our colleagues at APN for their commitment and hard work during a period of rapid change. I also wish to thank my fellow Directors, who serve with great enthusiasm and dedication.

Finally, I thank you, our shareholders, for your ongoing support of our Company. APN now has greater clarity in its strategy and a management team capable of delivering against it. The Board has every confidence in APN's future prospects.

-- ENDS --

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