



2015

Shareholder Review

APN NEWS & MEDIA LIMITED
ABN 95 008 637 643



Awarded the Global Bronze Cannes Lion in recognition of its work on the Optus and Netflix campaign.



AUSTRALIAN
REGIONAL
MEDIA

87%

**Market Penetration of 87%.
Launched Australia's first regional
digital subscription package.**

#1

**The New Zealand Herald and
Newstalk ZB continue to be the
leading news and radio brands
in the country.**

**NZ
ME.**



**iHeartRadio is continuing to strengthen its
position among under 35 year olds. In 2015
registered users increased 52 per cent.**

52%



20,000

Adshel has almost 20,000 out-of-home advertising panels across Australia and New Zealand.

#1 SYDNEY ADELAIDE BRISBANE

#1
Australian Metropolitan
Radio Network





“
**APN made strong
progress in the
integration,
digitisation and
diversification
of our businesses
and revenues.”**

A handwritten signature in white ink, appearing to read 'Ciaran Davis', written over a white horizontal line.

Ciaran Davis
Chief Executive Officer

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The Australian Radio Network (ARN) is **Australia's #1 metropolitan radio network** with **KIIS, the #1 national radio brand**. We operate the **#1 and #2 FM stations in Sydney** and the **#1 FM stations in Brisbane and Adelaide**. In January, we **acquired Perth's 96FM, completing the national KIIS network**.

#1 & #2
FM IN SYDNEY

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In 2015, Adshel **digitised 35 of its panels in Auckland's CBD** and **launched the world's first national digital street furniture network in Australia with 270 digital panels**. We have since announced that we will be **expanding our digital network across both countries**.

305

DIGITAL STREET FURNITURE
PANELS IN AU & NZ

PAGE
14



APN's **Hong Kong outdoor operations** were restructured in the second half after the loss of the bus body contract in June. Now **refocused on Cody out-of-home**, we have **secured a number of key contracts throughout the year**.

600

LARGE FORMAT PANELS

PAGE
20



Australian Regional Media (ARM) has a weekly **audience of 1.6m**, with a **market penetration of 87%**. In August, ARM **launched Australia's first regional digital subscription package**.

1.6m

WEEKLY AUDIENCE

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NZME is **delivering on the transformation goals** set in November 2014. Key strategic initiatives to support the business' integration included **launching one newsroom, merging commercial teams and increasing digital and new revenue streams**. **The New Zealand Herald was named Newspaper of the Year** and continues to be the **#1 news media brand** in the country. Newstalk ZB is the country's **#1 radio station**.

#1

NEWS MEDIA BRAND
& RADIO STATION

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ABOUT APN

2015 was a year of significant progress and transformation at APN.

A year of significant progress and transformation

In 2015, the Australian Radio Network (ARN) maintained its position as Australia's number one metropolitan radio network, enhanced by the successful integration of Perth's 96FM into the KIIS brand following the acquisition of the business in January.

In June, Adshel digitised 35 of its key advertising panels in Auckland CBD and in October, it launched Adshel LIVE, the world's first national digital street furniture network in Australia with 270 digital panels. The digitisation of these panels has driven significant revenue gains for the Adshel business. In February 2016, Adshel announced the expansion of its digital asset base to over 800 panels across Australia and New Zealand from 2016.

APN refocused its Hong Kong business on the Cody out-of-home operations following the loss of a bus body contract in June. After a transition period, Cody is rebuilding and securing a number of new contracts.

NZME has delivered on the transformation goals set out in the November 2014 forecast to market. Three businesses were successfully merged into one editorially through the creation of 'one newsroom', and commercially through the provision of integrated multi-platform advertising solutions. The business integration process is ongoing.

In August, Australian Regional Media (ARM) launched Australia's first regional digital subscription package. After a better than expected launch at *The Toowoomba Chronicle*, ARM fast-tracked its digital subscription rollout to all of its daily mastheads in October.

ARM digital subscription growth is ahead of plan with conversion rates from trial to regular subscribers at 86 per cent.

Results highlights

Strong cash flows reduced leverage to

2.74 times

1% ↑

Revenue from continuing operations

1% ↑

Earnings before interest, tax, depreciation and amortisation (EBITDA)

Group cost savings target exceeded

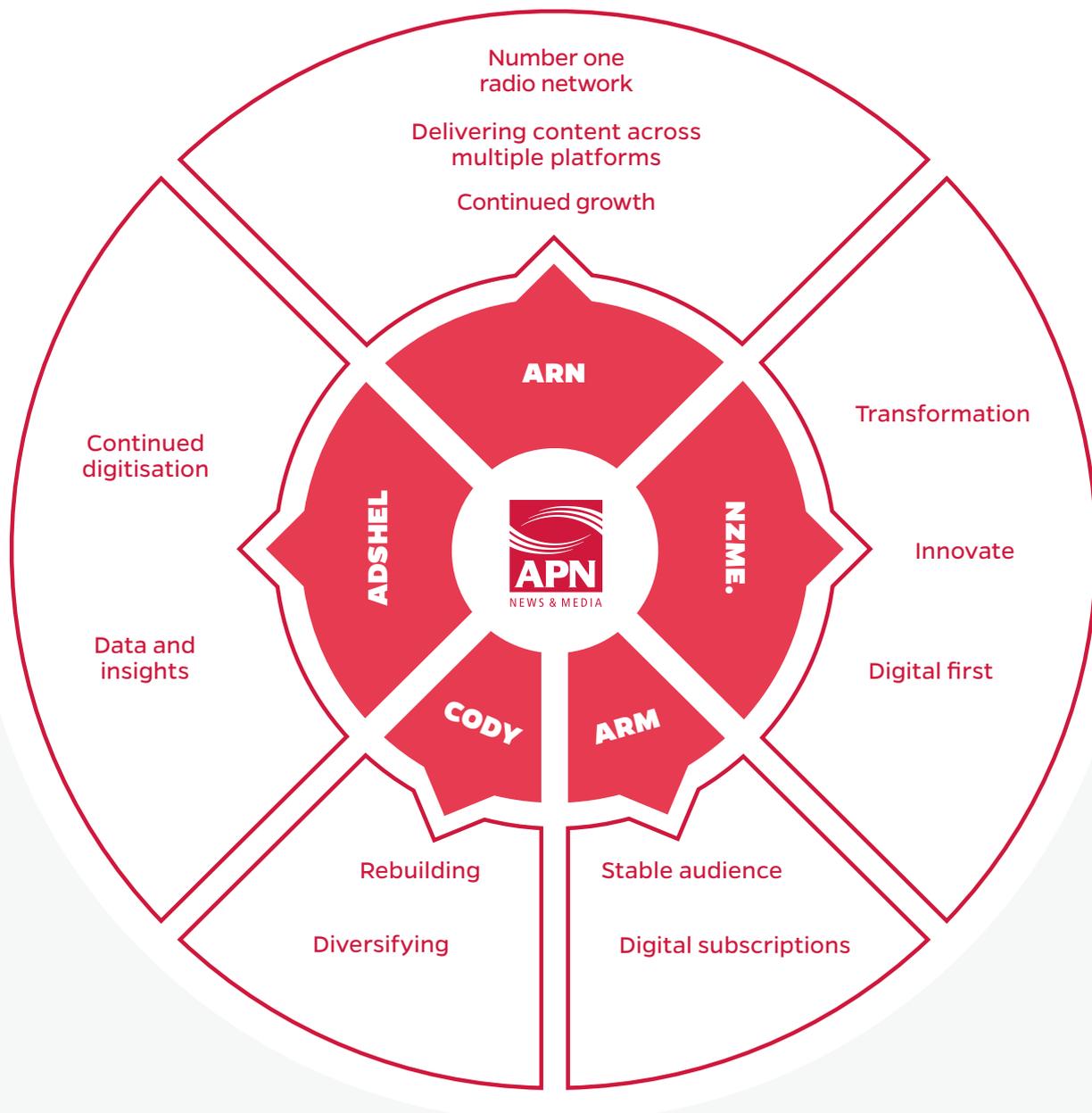
\$25m

Cash flows*	\$78.2m
Revenue**	\$850.0m
EBITDA***	\$166.2m

* Before the impact of acquisitions and divestments

** From continuing operations.

*** From continuing operations and before exceptional items.



Positioning APN for the future

In Australia, radio and outdoor were two of the biggest growth sectors in media with industry growth at five and 17 per cent respectively.

Within those sectors, ARN and Adshel are strong assets with positive outlooks and momentum.

Investments will continue to be made ensuring we capitalise on the future growth potential of both these businesses.

Increasingly, APN will look to grow its younger audience base, delivering content across multiple platforms including mobile, video and social, utilising new and existing assets such as iHeartRadio, The Edge and Emotive.

NZME's continued transformation in merging three businesses into one has delivered excellent progress in a short time. There are still a lot of opportunities to be realised for

NZME. While we will continue to examine strategic alternatives for the business, APN's priority is to position the business for further growth.

Although operating in a challenging advertising environment, there continue to be positive results delivered within ARM. It has maintained stable audiences and grown its digital footprint through the delivery of greater digital content. APN recognises that more investment is required in fast-tracking ARM's digitisation and monetisation of its loyal and local audiences. As APN's focus remains on growth assets and opportunities, we are not in a position to continue investing in this asset. APN has therefore commenced a process to divest ARM.

CHAIRMAN'S REPORT

Peter Cosgrove
Chairman



2015 was a year of transformation as APN continued to reposition for growth. Overall, APN produced a solid revenue and EBITDA performance, exceeded its cost saving program and generated strong cash flows with net profit after tax before exceptional items attributable to APN shareholders of \$70m.

Strategic initiatives were successfully actioned across all businesses to ensure that we remain relevant to advertisers and audiences in the ever-changing multi-platform environment in which we operate. In Australia, ARN acquired 96FM in Perth to position the business as the number one national metropolitan radio operator. Adshel commenced the rollout of the largest digital street furniture out-of-home network in the country and ARM became the first publisher to launch digital subscriptions in regional Australia. In New Zealand, NZME was created following the integration of APN's assets into a single, digitally-focused media and entertainment business.

Reducing debt remains a key priority for the Board. Good progress was made in 2015 with leverage at 31 December 2015 of 2.74 times, down from 3.1 times immediately following the acquisition of 96FM in January.

Confidence in management team

The Board fully supports APN's management team led by Ciaran Davis as CEO. Ciaran, who was appointed CEO in August, has settled into the role very well and has a strong relationship with the Board. His strategic thinking, combined with the operating experience he gained as CEO of ARN for five years, will contribute greatly to his ability in delivering value for APN's businesses, audiences and shareholders.

Risk framework

In 2015, APN further formalised its approach to risk to ensure a consistent approach in managing the risks associated with achieving strategic and operational objectives. The enhancement of this framework also increases transparency of risk for the Board and APN management.

2016 priorities

APN has a unique and diverse portfolio of assets across different sectors and geographies. Each has its own opportunities and challenges. Our focus is to prioritise strategic investments in growth areas within the portfolio that deliver the greatest shareholder return.

“
APN has a unique and diverse portfolio of assets across different sectors and geographies.”

NET PROFIT

\$70m

after tax before
 exceptional items
 attributable to APN
 shareholders

Board renewal

APN's Board renewal process continues.

In November 2015, Christine Holman joined APN as a non-executive director, contributing an important part to the skills, experience and diversity on the Board.

Thank you

On behalf of the Board, I would like to express my gratitude to APN employees and shareholders for their support and belief in our vision.



Peter Cosgrove
 Chairman

This meant looking at our position in Australian publishing. Following a thorough review of ARM and the further investment required to carry out its digital growth plans, we have decided to divest the business. We have commenced the process of divestment and will update the market as this progresses.

NZME is one of the best examples of a successful integration of traditional media assets – a model, I am sure, more media companies will need to adopt. It is, however, still early days and the benefits from the transformation of these businesses have not been fully realised. We have decided that now is not the best time to pursue an IPO for the business and we continue to evaluate a number of alternative options. Any required shareholder approvals will be sought.

CHIEF EXECUTIVE OFFICER'S REPORT

Ciaran Davis
Chief Executive Officer



It gives me great pleasure to write to you, our shareholders, for the first time as APN chief executive and I thank you, and the Board, for your support since commencing the role in August.

Business overview

I am pleased to report that in 2015, APN made strong progress in the continued integration, digitisation and diversification of our businesses and revenues.

ARN maintained its position as Australia's number one national metropolitan radio network, underpinned by a focus on ratings success and enhanced by the successful integration of 96FM into the KIIS brand. Strong revenue and EBITDA growth was a result of ongoing improvements to the business' commercial offering with investments made across new digital and multi-platform solutions for advertisers.

The digitisation of over 300 Adshel outdoor advertising screens in Australia and New Zealand has driven significant revenue gains for the business, positioning it for growth in the vibrant out-of-home advertising market. New product development, a focus on programmatic trading and the ongoing digitisation of the network in 2016 remain a priority as the business looks to further solidify its position as the leading street furniture operator in Australia and New Zealand.

In Hong Kong, APN restructured its outdoor business operations and, after a successful transition period that saw new management established, Cody is successfully rebuilding and has already secured a number of new contracts.

ARM launched Australia's first regional digital subscription package on a trial basis in Toowoomba in August and the success of this project led to the subsequent fast-tracking of the digital subscription rollout across all daily mastheads in October. Digital subscriptions offer ARM a new and sustainable revenue stream and when combined with strong local sales operations and stable audience numbers, positions ARM well for the future.

2015 was a transformative year for our New Zealand business - NZME. The integration process is ongoing with excellent progress made in a short time. We delivered on goals set out in the November 2014 forecast and the business today is in a stronger position to deliver on its aim of being the leading media provider in the New Zealand market.

REVENUE

\$850m
1% ↑

EBITDA from continuing operations and before exceptional items was up one per cent to \$166.2m

Financial results

Revenue from continuing operations was up one per cent on the corresponding 2014 period to \$850.0m. EBITDA from continuing operations and before exceptional items was up one per cent to \$166.2m.

Cost savings targets of \$25m for the year were exceeded, with further cost initiatives identified for 2016.

The generation of operating cash flows of \$78.2m was particularly pleasing, driven by strong cash conversion, even with the significant investment in APN's transformation and revenue diversification programs. Reducing debt remains a focal point for APN in 2016.

Strategy and focus

Having spent my first six months reviewing and working closely with each of the businesses, a clear priority is to focus capital allocation on those assets that can provide the greatest growth opportunities and prospects for delivering enhanced shareholder returns. Both ARN and Adshel are leaders within their growing sectors and both will benefit from investment being made to ensure positive outlooks and momentum continue.

2016 will also see our radio and outdoor assets working closer together to provide advertisers with unrivalled combination and reach. When overlaid with the creativity of APN's content marketing business, Emotive, the integration of APN's offering provides a one-stop destination for brands across radio, outdoor and online.

Strong leadership and people

APN is fortunate to have exceptionally strong leaders throughout the business who are supported by management teams and staff committed to delivering the best work they can. Working closely with myself, Jeff Howard (CFO) and Yvette Lamont (Group General Counsel), it gives me great confidence to see the dedication, creativity and drive to succeed demonstrated by all.

I would like to formally welcome Tony Kendall into the role as chief executive of ARN. He joined the business in 2015 and I look forward to working closely with him in building on ARN's success.

Adshel's CEO, Rob Atkinson, has worked hard at repositioning Adshel following the launch of the business' digital street furniture network. The results have been immediate and the business is set for an exciting year ahead under Rob's leadership.

I would also like to mention Cody's general manager, Sammy Choi, in Hong Kong who, in a short time, has rebuilt Cody into a stable and successful outdoor advertising company after a difficult start to the year.

Neil Monaghan, the CEO of ARM, has shown a strong entrepreneurial spirit in identifying new revenue opportunities for our Australian publishing business, in the face of a challenging market and continued cost management.

As you may be aware, Jane Hastings resigned as NZME's CEO in March 2016, and I would like to thank Jane for the successful job she did transforming NZME and wish her well for the future. I am delighted, however, that the business was able to internally promote Michael Boggs (from his role as NZME CFO) and wish him well as he transitions into his new role.

It would be remiss of me not to make special mention of all APN staff for the contribution they continue to make and I look forward to working with each and every one of them as we build an APN for future success. We operate in dynamic, fast-paced and exciting industries and I will work hard to ensure APN provides an environment that is challenging, stimulating and rewarding for all of our employees.

Conclusion

Finally, thank you to our shareholders for your ongoing support. Our vision for the future is set and I am committed to working with you, the Board and the APN management team to realise the Company's true potential.



Ciaran Davis
Chief Executive Officer

OPERATING AND FINANCIAL REVIEW



Financial Performance	Segment result		Exceptional items ³		Statutory result	
	2015	2014	2015	2014	2015	2014
AUD million						
Revenue before finance income	850.0	843.2	-	-	850.0	843.2
Other income	8.0	6.7	5.7	7.9	13.7	14.6
Share of associates' profits	11.9	11.3	-	-	11.9	11.3
Costs	(703.7)	(697.1)	(86.1)	(75.2)	(789.8)	(772.2)
EBITDA¹	166.2	164.1	(80.4)	(67.2)	85.8	96.9
Depreciation and amortisation	(35.3)	(33.3)	-	-	(35.3)	(33.3)
EBIT	130.9	130.8	(80.4)	(67.2)	50.5	63.5
Net interest expense	(31.7)	(36.1)	(3.3)	(4.3)	(35.1)	(40.4)
Tax	(23.2)	(11.7)	3.4	5.3	(19.8)	(6.4)
Profit/(loss) from continuing operations	76.0	82.9	(80.4)	(66.2)	(4.4)	16.7
Profit/(loss) from discontinued operations ²	-	(0.6)	-	3.0	-	2.4
Net profit/(loss) after tax⁴	76.0	82.3	(80.4)	(63.2)	(4.4)	19.1
Profit/(loss) attributable to APN shareholders	70.2	74.7	(80.4)	(63.2)	(10.2)	11.5
Non-controlling interests	5.8	7.6	-	-	5.8	7.6
Net profit/(loss) after tax⁴	76.0	82.3	(80.4)	(63.2)	(4.4)	19.1

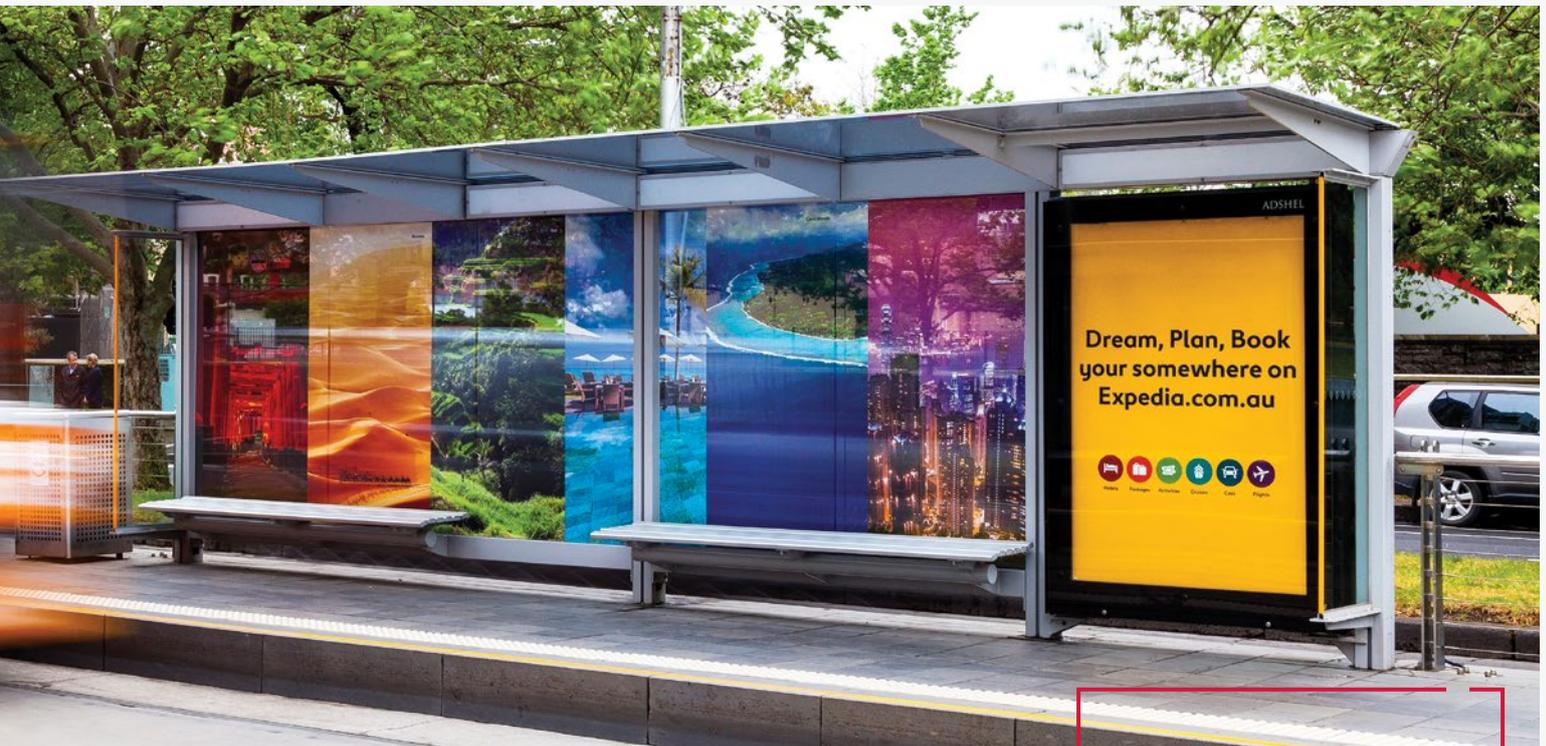
(1) Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations and before exceptional items, represents the Group's total segment result.

(2) APN Outdoor and brandsExclusive were treated as discontinued operations in 2014.

(3) Refer to note 1.3 to the consolidated financial statements for further details in relation to exceptional items.

(4) Totals may not add due to rounding.

This Operating and Financial Review should be read in conjunction with the Chairman's Report and the Chief Executive Officer's Report.



Performance overview

APN News & Media Limited (APN) revenue from continuing operations was up one per cent to \$850.0m from \$843.2m. Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations and before exceptional items was also up one per cent from the corresponding period to \$166.2m. The profit attributable to shareholders before exceptional items was \$70.2m, compared to \$74.7m in 2014, with the decline from last year primarily due to a higher tax expense. The statutory loss attributable to shareholders for the year was \$10.2m, compared to a profit of \$11.5m in 2014.

Cash inflows before the impact of acquisitions and disposals were \$78.2m, a significant increase on 2014 despite the investment in NZME's integration and diversifying revenues during the year.

The Group results reflect the mixed performances of the underlying businesses. The Australian Radio Network (ARN) delivered another year of strong revenue growth, up 22 per cent (\$40.2m) in a radio market that grew five per cent. The acquisition of Perth's 96FM in January added \$18.7m of this growth. Following the launch of Adshel's digital street furniture networks in Australia and New Zealand, Adshel revenues increased substantially, exceeding market growth in New Zealand, while putting the business on par with the thriving out-of-home market in Australia. NZME, now operating as an integrated business, delivered a result in-line with the forecast provided to the market in November 2014. The Australian Regional

Media (ARM) result was disappointing, particularly affected by national advertising revenues in Q4 and challenging market conditions in Northern Queensland.

The table on page 10 reconciles the Group's segment result before exceptional items to the statutory result. The exceptional items include a mix of one off gains and non-recurring costs arising during the year. The non-recurring costs include an impairment of \$51m relating to ARM mastheads, costs associated with the integration of NZME and further restructuring in ARM. It also includes refinancing costs associated with the extension of the Group's finance facilities. These facilities now mature in July 2019.

A review of each of the businesses is outlined in the following pages.

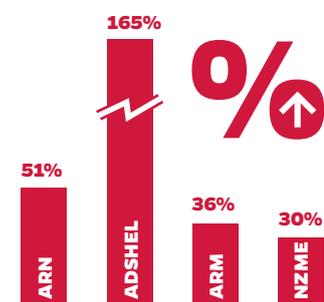
Cost management and investing in growth

In 2015, APN's businesses continued to integrate, digitise and diversify.

The Company's cost savings target of \$25m, which was announced with the 2015 Half Year Results, was exceeded with additional cost savings identified for 2016. These savings were partially reinvested back into the business to support new business streams such as the launch of NZME Vision, WatchMe and CreateMe, and the launch of ARM's digital subscription program. These streams are already delivering incremental revenues.

Digital continues to be an area of focus and growth for the businesses.

Digital revenue year-on-year growth



Balance sheet and cash flow

The Group had net assets at 31 December 2015 of \$462m, which is after \$456m in net debt. The Group's debt facilities were refinanced during the year and the facilities now mature in July 2019. Net debt has reduced to 2.7 times EBITDA from 2.8 times in December 2014, despite funding \$78m for the acquisition of 96FM in Perth. The balance sheet has been impacted by the acquisition of 96FM, capital investment in respect of the integration of NZME and an impairment of intangible assets in ARM. The parent entity's interest in the net assets decreased from \$434m at 31 December 2014 to \$426m.

Cash flows before the impact of acquisitions and disposals was \$78.2m. This strong result reflects the Group's continued focus on cash management.

AUSTRALIAN RADIO NETWORK

OPERATING AND FINANCIAL REVIEW

#1

- #1 metropolitan radio network
- #1 national radio brand - KIIS
- #1 and #2 FM stations in Sydney
- #1 FM stations in Brisbane & Adelaide

In 2015, the Australian Radio Network (ARN) continued to exceed market performance as a result of investments made across the business.

Business overview

ARN is home to the national KIIS and Pure Gold networks and owns youth radio network The Edge.

The KIIS network, which targets the 25-44 year old demographic, includes KIIS 1065 Sydney, KIIS 101.1 Melbourne, 97.3 Brisbane, Mix 102.3 Adelaide and 96FM Perth.

The Pure Gold network, which targets the 40-54 demographic, consists of FM stations WS FM101.7 Sydney and Gold104.3 Melbourne and AM stations Cruise 1323 Adelaide and 4KQ Brisbane.

In Australia, ARN also operates music streaming, digital entertainment and live events brand iHeartRadio.

Investments leading to audience gains

In 2015, ARN was Australia's number one metropolitan radio network, with KIIS Australia's number one radio brand.

This success is driven, in a large part, by the strong talent across ARN's breakfast and drive teams.

Investments in content and talent have contributed to the overall audience and revenue growth across the business, particularly in the Breakfast and Drive dayparts.

Kyle & Jackie O and Jonesy & Amanda have, for 16 straight surveys, dominated the number one and number two FM breakfast positions in Sydney. ARN's

Mix 102.3 and 97.3 breakfast teams in Adelaide and Brisbane also dominated in 2015. As a result, these stations lead their respective cities.

The Hughesy & Kate National Drive Show, which launched in January, achieved the number two FM position in the highly competitive daypart - a fantastic feat for the team.

ARN's acquisition and integration of Perth's 96FM is delivering positive results. Following the acquisition, the station was repositioned and then integrated into the KIIS network. The Hughesy & Kate National Drive Show and Kyle & Jackie O's Hour of Power have been syndicated into 96FM from 4pm-7pm creating a national programming offering during this time. This has contributed to ARN's Perth agency revenues increasing by 14 per cent, demonstrating that a national KIIS offering is the right strategy for the business.

Emotive, iHeartRadio and digital - diversified revenues continuing to grow

ARN is no longer operating as just a linear radio platform. We have expanded our offering in this business across digital entertainment, events and content creation.

Emotive, which was launched in February with APN as a founding partner, is a content marketing agency helping APN's radio assets drive revenue. The business has grown considerably since inception with earnings well ahead of business plan. In addition, a campaign featuring Ricky Gervais for Optus and Netflix created by Emotive was awarded a Bronze Cannes Lion - one of the top creative awards in the world.

“I’ve been impressed by the strength and expertise of ARN’s strong management team, and look forward to continuing the momentum they have built in delivering success.”



Tony Kendall
ARN CEO

Image:
KIIS Sydney
Breakfast team:
Kyle & Jackie O



SEGMENT EBITDA

\$83m
25% ↑



As a result of the business' successes, in January 2016, Emotive was announced as the official content agency partner for Optus and Virgin Mobile.

iHeartRadio is continuing to strengthen its position among under 35 year olds. In 2015, app downloads increased 53 per cent, registered users increased 52 per cent and mobile users increased 43 per cent - these all contributed to a 49 per cent increase in 2015 iHeartRadio revenue. The success of iHeartRadio has seen commercial sponsorships increase, including a partnership with Optus.

With an increased focus on growing and commercialising our digital audience in 2015, ARN saw digital audiences up year-on-year with video views up 1,421 per cent, unique visitors up 265 per cent and mobile page views up 133 per cent. As a result, ARN saw group digital revenues up 51 per cent.

These investments also contributed to overall revenue and earnings growth.

Outperforming the market

Over the last five years, ARN has consistently outperformed the market. For 2015, in an Australian radio market that grew 4.8 per cent, ARN increased revenue by 22 per cent to \$221.1m and EBITDA by 25 per cent to \$82.8m.

\$18.7m of ARN's \$40.2m in revenue growth was attributable to the acquisition of 96FM which completed in January.

AUD million	2015	% Change
Revenue	221.1	22%
Costs	(138.3)	21%
Segment EBITDA	82.8	25%

2016 and beyond

Looking ahead, ARN will continue to focus on audience and commercial growth.

Tony Kendall was appointed chief executive of the business in late 2015 and joins an exceptionally strong management team. He has an extensive commercial media background which will be invaluable in growing revenues at the business.

There is a lot of potential for ARN's Melbourne stations to grow audience and revenue share in the market. While in Sydney, ARN holds the number one and number two FM positions, KIIS 101.1 and Gold 104.3 hold the sixth and second positions in Melbourne respectively. We launched new Melbourne breakfast shows in early 2016 to improve our position. Both teams are making good progress in setting a solid audience platform for the station.

In Perth, 96FM was the number three FM station across 2015. With continued marketing investment and a strong on-air line-up, audience growth is expected over 2016. Changes made to the station resulted in a fragmentation of 96FM's older audience as part of 96FM's repositioning to complement the KIIS network and increase younger audience share.

ARN will also continue to enhance the iHeartRadio, Emotive and The Edge assets to expand into a younger audience demographic, utilising their strong digital, mobile and social reach.

ADSHEL

OPERATING AND FINANCIAL REVIEW

Image: Adshel Immerse bus shelter



The launch of Adshel LIVE, Adshel's digital street furniture network, was transformative for the business, delivering significant revenue gains.

Business overview

Adshel is a leading outdoor and digital-out-of-home (DOOH) provider, offering advertising solutions that are innovative, creative, flexible and delivered at scale. The business has almost 20,000 out-of-home advertising panels across Australia and New Zealand.

Adshel is a joint venture between APN and Clear Channel International.

Performance underpinned by successful launch of Adshel LIVE digital roadside panels

In June, Adshel digitised 35 of their key advertising panels in Auckland CBD. In October, the business launched the world's largest national digital street furniture network with 270 panels across Australia.

Investment driving above market performance

The launch of Adshel LIVE has repositioned the business. Prior to the Australian launch, Adshel's growth was well behind market growth. From Q4, following the launch, Adshel's growth was on par with market. In New Zealand, where Adshel had fallen behind market growth in Q2, the launch saw growth surpass the market.

In a thriving out-of-home market, Adshel revenues were up eight per cent to \$159.5m while EBITDA was up four per cent to \$38.3m.

Revenues grew five per cent year-on-year from Q1 to Q3. Adshel's Q4 revenues saw a 17 per cent uplift triggered by the launch of Adshel LIVE in Australia.

In a market driven by digital expansion, Adshel static panel revenue remained steady, a solid result.

AUD million	2015	% Change
Revenue	159.5	8%
Costs	(121.2)	10%
Segment EBITDA	38.3	4%

Expansion of digital and data capabilities from 2016

Following the success of Adshel LIVE, we recently announced the expansion of the business' digital networks in Australia and New Zealand.

Adshel will be digitising an additional 115 panels in New Zealand, creating the country's largest national digital roadside network. In Australia, an additional 250 digital panels will be deployed nationally.

This means that from 2016, the Adshel LIVE digital network will have over 670 digital roadside panels across Australia and New Zealand.

“Adshel is well-positioned to continue growing revenues and share in the thriving out-of-home market, driven by digital expansion.”



Rob Atkinson
ADSHEL CEO



Revenue

\$159.5m
8%↑



Continued leader in data and innovation

Adshel continues to lead the out-of-home market in data and innovation.

In 2015, the business launched the world's largest national beacons network in Australia to enhance our data and insights offering for clients. This offering was then expanded to all Adshel's New Zealand panels, creating the country's first national

outdoor beacons network; and following the successful integration of Roy Morgan's Helix Personas tool in Australia, the tool will also become available across Adshel's New Zealand panels.

APN will continue to look for new ways to diversify and expand Adshel's offering and will actively pursue opportunities that allow this.

AUSTRALIAN REGIONAL MEDIA

OPERATING AND FINANCIAL REVIEW

Australian Regional Media (ARM) continues to grow their audience and strengthen their products. The business has large and loyal audiences with 87 per cent market penetration in the regions in which the business operates.

Business overview

Australian Regional Media (ARM) connects with over 1.6 million Australians every week across regional Queensland and Northern New South Wales through print, online, mobile and tablet platforms.

The business' asset base includes 12 daily newspapers, more than 60 community and non-daily publications and over 30 regional news websites.

AUD million	2015	% Change
Revenue	188.5	(7)%
Costs	(170.1)	(4)%
Segment EBITDA	18.4	(27)%

ARM revenues were down \$13.6m to \$188.5m year-on-year, while EBITDA was down \$6.6m to \$18.4m.

Local display advertising remained resilient, with revenues down just four per cent on a like-for-like basis. Revenues from non-mining markets were flat year-on-year. Real estate revenues remained strong throughout the year.

National agency revenues finished the year challenged following an accelerated drop in top 10 national advertising client advertising spend. All other revenue from national advertising clients was flat year-on-year.

ARM's 2015 cost savings target of \$10m was exceeded with further initiatives targeted.

These savings have been partially reinvested back into growth revenue streams, including the launch of ARM's digital subscription program.

Growing and diversifying audiences and revenues

ARM's audience growth is driven by increased digital audiences. Total online audiences grew 20 per cent year-on-year, mobile audiences grew 43 per cent year-on-year and social audiences grew 20 per cent year-on-year. This contributed to overall digital revenue growth of 36 per cent.

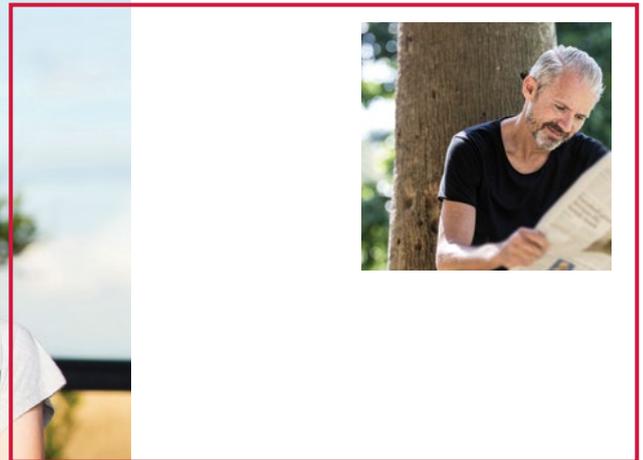
In addition, new revenue streams including ARM's trade referral partnership with ServiceCentral, digital marketing services and content marketing are increasingly delivering revenue for the business.



“Regional consumers continue to choose ARM as their source for the latest news and information as reflected by our continued audience growth.”



Neil Monaghan
ARM CEO



ONLINE AUDIENCE GROWTH
20%
 Year-on-year

Australia’s first regional digital subscription program

In August, ARM launched Australia’s first regional digital subscription program at *The Toowoomba Chronicle*. The package includes access to ARM’s digital products as well as full digital access to a metropolitan news brand, *The Washington Post* and streaming video-on-demand service Presto.

The launch exceeded expectations and ARM fast-tracked the digital subscription rollout across the rest of our daily newspapers in October. Sign-ups are tracking to plan and through increased marketing and continued investment, we anticipate that digital subscriptions will generate an increasingly significant contribution to ARM’s transforming business model.

APN’s strategic position in ARM

APN has been a long-time supporter of regional publishing in Australia and remains encouraged by the progress the business continues to make, particularly with the digital strategy. However, APN recognises that further investments must remain focused on growth assets and opportunities and has therefore commenced a process to divest ARM.

New ownership will provide ARM the flexibility it needs to continue its digital diversification while continuing to provide quality news and content to audiences.

NZME.

OPERATING AND FINANCIAL REVIEW

Image:
NZME Central
in Auckland



“Over the past 18 months, the NZME team has worked hard to bring together the best of its multi-platform suite of products creating a powerful audience and advertiser proposition.”



Michael Boggs
INCOMING NZME CEO

NZME is one of New Zealand’s premier media and entertainment businesses, home to some of the country’s leading publishing, radio and digital brands.

Business overview

NZME is New Zealand Media & Entertainment.

NZME brands connect with 3.1 million New Zealanders across their multi-platform suite of publishing, radio and digital assets. In addition, NZME offers specialised events and experiential services for advertisers.

NZME transformation on track

NZME achieved a significant amount in 2015, delivering on the transformation goals set in November 2014. Critically, it delivered on the EBITDA forecast set at the time. The business has also delivered digital growth and new revenue streams in excess of forecast.

In 2015, NZME launched its world-class integrated newsroom and merged commercial teams bringing together expertise and capabilities from the publishing, radio and digital teams. This is delivering increased audience growth and commercial opportunities.

NZME exceeded the cost savings target of NZ\$18m announced in August with over NZ\$20m secured. A further NZ\$10m in cost savings has been identified for delivery in 2016.

Reinvestment and new revenue activity

Savings from NZME’s cost program were partially reinvested back into the business to support the launch of new revenue streams including:

- **NZME Vision**, a broadcast production studio;
- **WatchMe**, a streaming video-on-demand service; and
- **CreateMe**, a commercial content division specialising in creating unique advertising content solutions.

In addition, there has been an increased focus on digital and video initiatives. Group digital audience grew 7.4 per cent year-on-year to almost 1.7 million people while video audience has increased 58 per cent.

NZME result encouraging in a declining publishing and radio market

NZD million	2015	% Change
Revenue	433.0	(3)%
Costs	(358.1)	(2)%
Segment EBITDA	74.9	(8)%

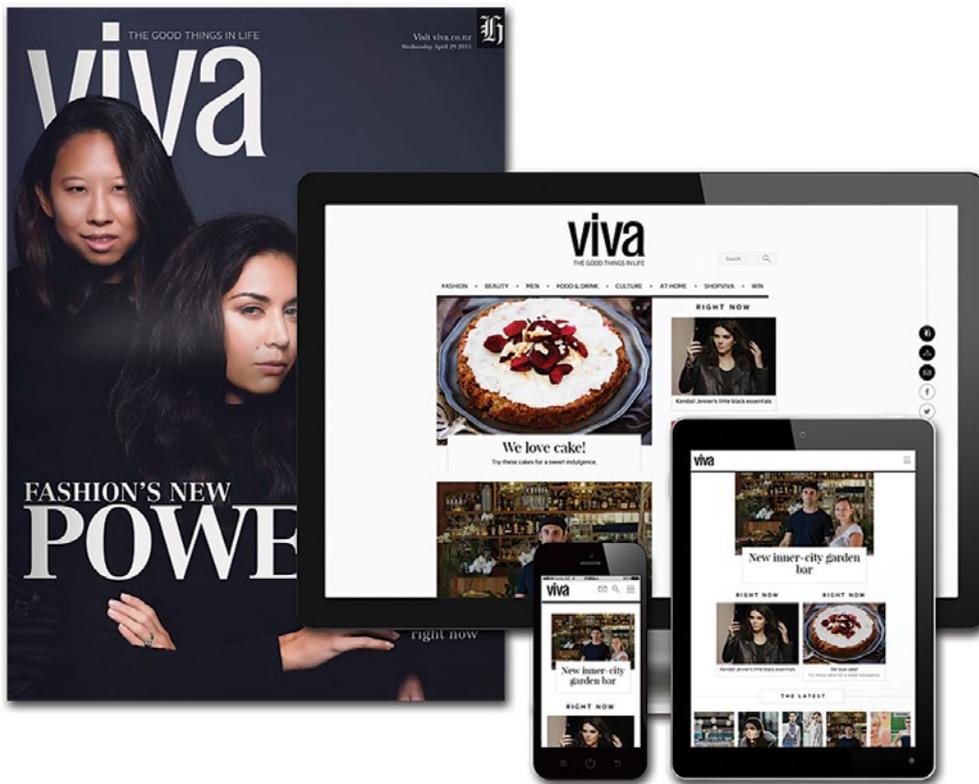


Image:
Viva multi-platform offering

SEGMENT EBITDA

\$75m



Amidst a soft New Zealand economy and tough advertising market, overall NZME revenues were down three per cent to NZ\$433m.

While down eight per cent, EBITDA of NZ\$74.9m is in line with the November 2014 forecast.

NZME Publishing experienced a solid year with performance reflecting the benefits of integration and the print and distribution alliance with Fairfax Media. Revenues were down one per cent to NZ\$295.4m.

New publishing revenue streams and integration substantially offset declines in print advertising revenues and audiences.

The New Zealand Herald continues to be the country's most read news brand, with an audience of nearly two million. The masthead's achievements were recognised when it was named Newspaper of the Year at the Trans-Tasman PANPA Newspaper of the Year awards.

In September, *The New Zealand Herald* launched a digital registrations program and has since secured 390,000 registrations. This, added to the wealth of data across the business, is starting to be commercialised.

NZME Radio operated in a disruptive market throughout 2015 which affected overall performance. Changes have been made to rectify the challenges and a better performance is expected this year.

Revenues were down five per cent to NZ\$120.2m.

The most recent year-on-year radio survey showed that NZME Radio audiences in the key 25-54 demographic increased. In addition, Newstalk ZB remained the leading radio station in the country with ZM now number one among 18-39 year olds.

Key events are driving iHeartRadio registrations and revenue. Registrations are up 58 per cent year-on-year, while events revenue doubled.

2016 focus

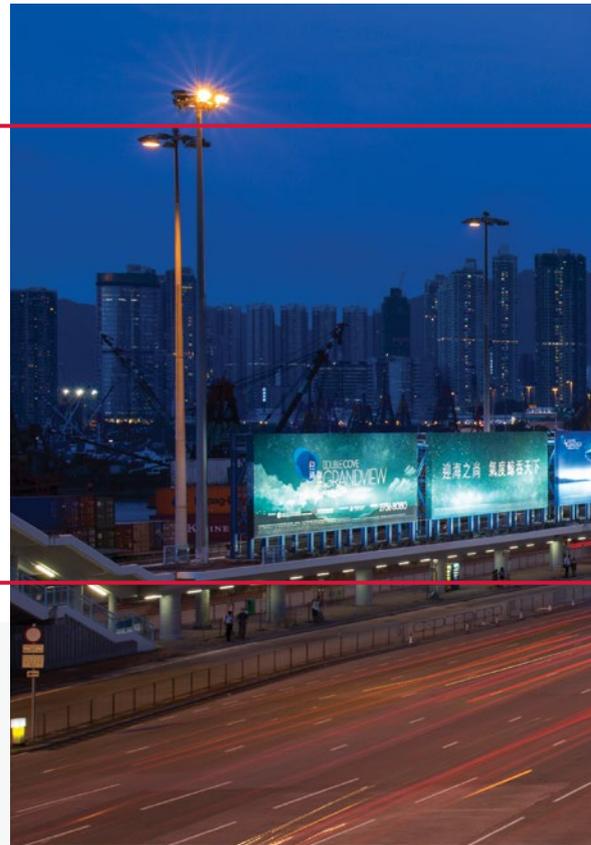
In 2016, NZME will continue on the path to operate as a fully integrated media company.

There will be continued digital inventory innovation and monetisation through mobile, video and partnerships. The business will continue to look at ways to monetise and expand its large database. Digital classifieds will roll out in 2016, starting with Motoring in Q2.

NZME will continue to explore new partnership ventures and continue to position the business as the leading media and entertainment business in New Zealand.

HONG KONG OUTDOOR

OPERATING AND FINANCIAL REVIEW



“

I am encouraged by the progress in rebuilding Cody to be one of Hong Kong’s leading out-of-home operators.”



Sammy Choi
Cody General Manager

APN’s Hong Kong business is rebuilding with positive signs of progress.

Business overview

APN’s Hong Kong business was unsuccessful in retaining its bus body contract in H1 which saw the business cease managing the advertising on Hong Kong Island buses from H2.

The Cody out-of-home business became the main focus for the team and has since increased the business’ billboard presence to over 600 outdoor panels while maintaining Buzplay multimedia installations across 1200 buses.

Hong Kong Outdoor

AUD million	2015	% Change
Revenue	37.9	(24)%
Costs	(37.5)	(17)%
Segment EBITDA	0.4	(91)%

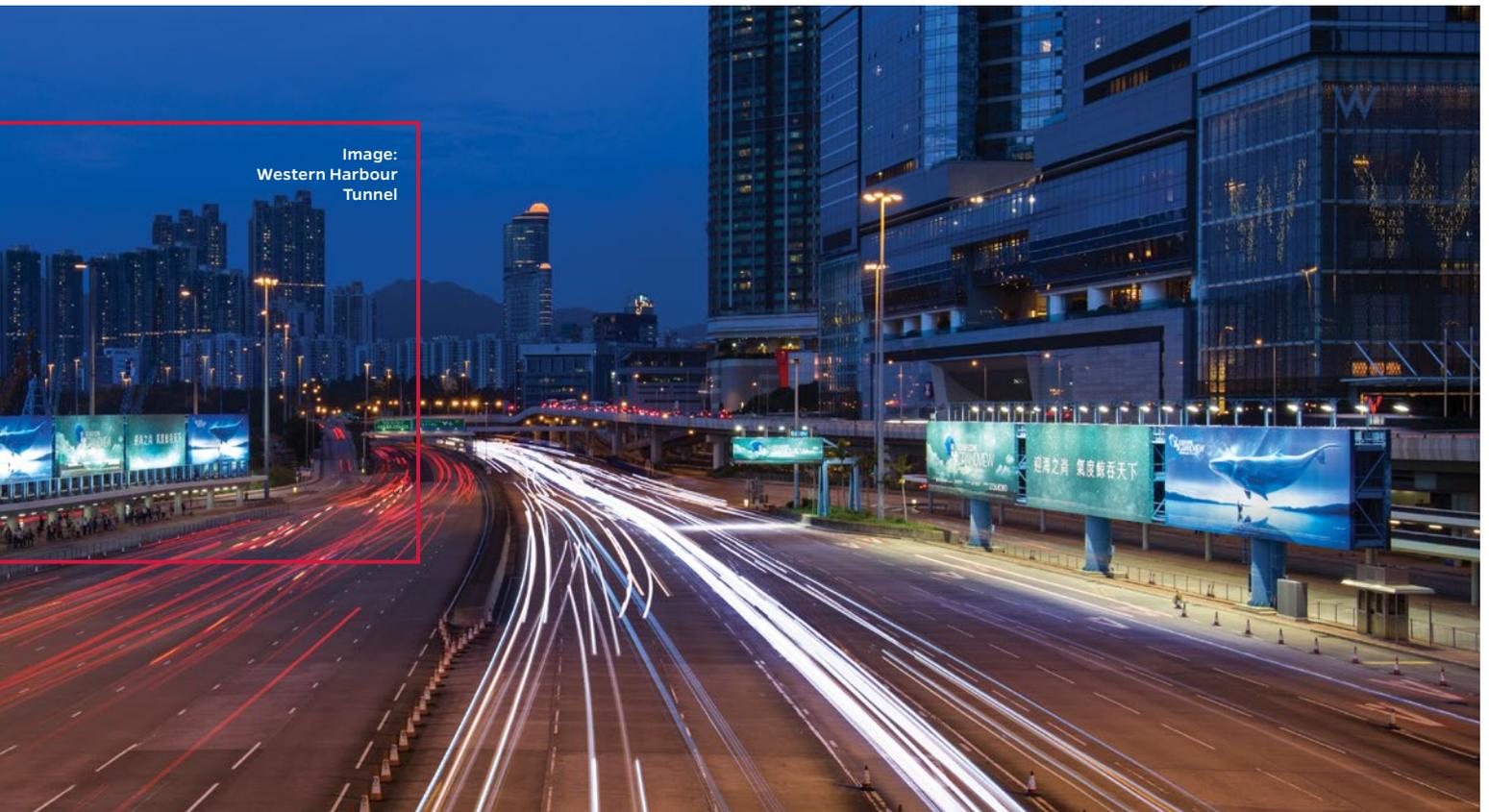


Image:
Western Harbour
Tunnel

**LARGE FORMAT
OUTDOOR
PANELS**

600

**BUZPLAY
MULTIMEDIA**

1200

Buses

Hong Kong Outdoor results affected by loss of bus body contract

APN's Hong Kong business experienced a soft start to the year due to changes in the Chinese Government's social gifting policy, flow-on effects from Occupy Central in late 2014 and the transition out of the bus body contract which expired on 30 June 2015.

In H2, APN refocused the business on the Cody out-of-home operations.

This included installing a new management team and diversifying Cody's offering focusing on four key pillars:

- **Cody Content** delivering enhanced TV and content production;
- **Cody Transit** managing taxi advertising;
- **Cody Ambient** offering experiential advertising solutions; and
- **Cody Roadside** continuing the business' specialty in billboard advertising.

Cody's trading rebounded in the second half of the year. Revenues were up five per cent on prior year, with the business securing a number of key contracts

including Hung Hing Road, Star Ferry and Tai Lam Tunnel.

Earlier in 2016, Cody secured the advertising rights for Hong Kong's Western Harbour Tunnel for an additional seven years. This includes the opportunity to transform one of the sites into the country's first digital out-of-home advertising billboard in a tunnel environment. The presence of this billboard will enable the tunnel operator to communicate accident or traffic messages live.

APN is committed to rebuilding Cody and has confidence in the management team to deliver growth and opportunities for the business.

CORPORATE SOCIAL RESPONSIBILITY

APN is proud to have a genuine connection to the communities it serves. APN's businesses support their communities through a variety of sponsorships, editorial campaigns and community and funding initiatives.

Community

Utilising assets to support community initiatives

Through our powerful and influential asset base, APN's businesses provide strong platforms for cause-driven organisations to increase awareness in their quest for growth and community support.

ARN's radio stations created and delivered community service announcements (CSAs) to a number of charities using the business' wide reach to share community-related messages to the masses. Organisations who benefited from these included The Salvation Army, the Starlight Children's Foundation, Mission Australia and Kids Alive.

In Hong Kong, APN's businesses continued to provide support for non-government organisations and charities through its network of buses and billboards. This support included providing special advertising rates, creative production and in-bus media airtime for organisations including UNICEF, Mother's Choice, Plan and Hong Kong Red Cross.

NZME also supported a number of charitable organisations at a national and local level with an extensive marketing partnerships program, spanning arts, sport, culture, health and youth sectors. NZME brands supported the Halberg Sports Awards, the NZ Symphony Orchestra, the Auckland Rescue Helicopter Trust and The Starship Foundation. 2015 also saw the second year of the Pride of New Zealand Awards which gave the public the opportunity to nominate and celebrate ordinary people who, through their actions, are helping to build a better New Zealand.

Across its network of newspapers and websites, ARM provided over \$2m worth of community engagement advertising space to charities and community organisations such as the Red Cross, Stroke Foundation, Fred Hollows Foundation, RSPCA and Surf Life Saving Australia.

Adshel and ARN also continued their support for the Sydney Children's Hospital Foundation's Gold Telethon which saw the businesses donate significant media space and airtime promoting the telethon and thanking donors. In addition, WFSM's Jonesy & Amanda broadcasted live from the Telethon and ran an 'In a JAM' on-air story arc culminating in a \$10,000 auction to buy two 'Gold parking spots for a year' where parents could park for free in the hospital carpark, alleviating what is usually an expensive concern.

Editorial initiatives

As a diverse, wide-reaching and influential media company, APN's publishing businesses NZME and ARM understand there is a responsibility to champion worthy causes and facilitate community conversations about the topics that matter to their audiences.

NZME utilises its wide reach across New Zealand to support communities through a number of initiatives. An example of this was its ANZAC100 project which was created to engage audiences and mark the centenary of the Gallipoli landings. The in-depth integrated campaign utilised print, digital and live coverage from commemorative events in both Turkey and Auckland and raised NZ\$65,000 for the Royal New Zealand Returned and Services' Association.

\$2m

**WORTH OF
COMMUNITY
ENGAGEMENT
ADVERTISING
SPACE
ARM**

CASE STUDIES



SecondBite

Community food organisation, SecondBite came second in the Adshel Annual Christmas Challenge, winning the right to use 250 panels nationally to promote its cause. SecondBite provides access to fresh, nutritious food for people in need across Australia through the redistribution of surplus fresh food to community food programs. Food is donated by farmers, wholesalers, markets, supermarkets, caterers and events. Adshel provided SecondBite with an opportunity to raise awareness of their important socially and environmentally-focused charity organisation.



The Forgotten Millions

The New Zealand Herald created an editorial campaign called The Forgotten Millions, telling heart breaking stories from the Syrian Refugee Crisis throughout the year. This coordinated approach across print, digital and video platforms demonstrated the strength of the brand in long format digital story telling. Donation payment systems were established, and through the power of NZME's multimedia platforms, the campaign helped to raise more than NZ\$2.5m for World Vision.

The powerful role our brands play in local communities was again evident after the devastating floods that hit Wanganui in June. On Saturday, 20 June, one month's worth of rain fell on the town within 24 hours. The team at *Wanganui Chronicle* responded with a special flood publication, which was sold throughout the North Island region. Proceeds alongside cash donations from partners and advertisers totalled NZ\$20,000 to the local Mayoral Relief Fund.

ARM's leadership in community-related campaigns continued in 2015 with the 'One Punch Can Kill' editorial initiative – a campaign that aimed to make streets safer. ARM newspapers and websites increased their focus on the causes and impacts of coward punches, how they affect communities and what to do if someone has been the victim of – or the perpetrator of – a violent attack. The campaign also encouraged readers to make a pledge to not participate in street violence and to report any incidences of violence that they witness. The pledge was supported by a #HandsOff social media promise.

Raising and donating funds

APN's reach and influence allow the Company to successfully raise awareness of not-for-profit organisations and encourage audiences to contribute time and resources to a number of worthy causes.

NZME began utilising the GrabOne platform, which attracts huge daily digital audiences, to promote cause-related and emergency relief fundraising initiatives. Over the year, the platform raised over NZ\$25,000 from online donations.

APN's businesses provide strong platforms for cause-driven organisations to increase awareness.



ARN gave away airtime packages at charity auctions to help raise money and awareness for charitable causes. Approximately \$100,000 was raised for organisations such as Ronald McDonald House, New Horizons, The Children's Hospital at Westmead and Blue Sky Foundation.

Cody participated in Hong Kong's mid-Autumn Festival in September, using it as an opportunity to celebrate with customers and associates while contributing funds to a social cause. Instead of sending Moon Cakes, a popular traditional delicacy for this celebration, Cody designed and sent e-greetings along with a donation of HK\$100 each to the Children's Cancer Foundation on the recipient's behalf. Hundreds of e-greetings were shared for this fundraising project to bring happiness and hope to children in need.

ARM also continued its long running Adopt-a-Family Christmas Appeal which has, for over 20 years, encouraged communities to contribute to Christmas hampers that are then donated to local families facing adversity over the Christmas season.

Each year, every Adshel employee is given the opportunity to donate to a charity of their choice, and in 2015 donations from Adshel staff totalled \$28,250 to not-for-profit organisations across Australia and New Zealand.

People

Employee engagement initiatives

APN understands that engaged employees are integral to the performance of the individual businesses and the Company as a whole, and therefore promotes workplaces that are inclusive, safe, rewarding and motivating.

NZME employees regularly appear and participate in a multitude of events including local fun runs, the Sky Tower Stair Challenge which raises money for Leukaemia & Blood Cancer NZ, and regional Relay for Life events which raise money for the Cancer Society, all while providing employees with the opportunity to interact outside of the workplace.

Adshel employees are offered one Wellness Day per year, which provides them with an opportunity to take an extra day to do something that enhances their wellbeing. Adshel also has an Employee Assistance Program (EAP) in which all employees are provided with access to short-term, solution-focused counselling and can be utilised for personal and work-related issues, to address challenges or to proactively improve wellbeing. The services are delivered by qualified, independent psychologists, funded by Adshel at no cost to employees and are completely confidential.

ARN has a strong employment culture which is driven from its refreshed Employee Value proposition that was developed in consultation with its people and is ingrained in everything they do. In 2015, ARN saw its first year of Holiday Club - an incentive that provides a bonus week of leave to all eligible staff. ARN also continues its EAP, a free confidential counselling service for all staff and immediate family members which is now in its fourth year.

Employees personally giving back

APN continues to provide opportunities for employees to participate in community initiatives.

A running annual tradition that continued into 2015 saw Adshel employees awarded with one day off to volunteer for a charity of their choice. Participation was encouraged through the co-ordination of office-wide Adshel Charity Days, which saw staff volunteering at the Variety Club Christmas Party or the RSPCA, or helping with a community garden scheme.

Similarly, NZME continues to support and encourage staff to contribute to worthy causes. An example of this is the Print Operations team receiving paid volunteer days to participate in charitable street collections for Auckland City Mission and Hospice.



NZME CENTRAL

5

GREEN STAR CERTIFIED

Environment

Environmental initiatives

APN understands that there is a responsibility to both demonstrate and advocate for environmental stewardship across its businesses. APN seeks to identify and implement best practice environmental initiatives in conjunction with utilising assets to provide greater public awareness around environmental issues.

The Company supports best practice and is committed to complying with all relevant legislation in relation to both the production of its products and environmental issues generally. The Group regularly discusses new products and processes with its suppliers and environmental issues are considered as part of the decision-making process for such matters.

APN's publishing businesses, ARM and NZME, have adopted environmental practices, including printing on paper that is made from recycled fibre or fibre sourced from sustainably managed forests. They also operate their manufacturing facilities in accordance with best practice regarding waste recycling.

Adshel continues to invest and explore new ways to minimise energy consumption and to reuse and recycle all by-products into useful resources. Adshel's environmental

management system is measured and is certified against ISO 14001:2015 for Environmental Management Systems. In 2015, Adshel completed the final stage of a three year national sustainability and efficiency project in relation to the introduction and rollout of the ionic cleaning system. The national implementation of this system sees Adshel utilise deionised and purified water in conjunction with a low pressure cleaning system. The environmental benefits of this system include: the elimination for the need and use of cleaning detergents, significant national reduction in water consumption achieved by replacement of high pressure for low pressure water cleaning and minimal water runoff.

NZME's newly-built head office in Auckland, NZME Central, has achieved 5 Green Star Design Certification due to its environmentally sustainable design and construction. The building features plenty of natural lighting, substantial energy conservation measures, extensive cyclists' facilities, reduced waste initiatives and office layouts designed for exercise and social interaction.

Earth Hour is a global event organised by WWF, and for another consecutive year Cody showed support by turning off the lights across some of its billboard sites.

SENIOR MANAGEMENT TEAM



Ciaran Davis
Chief Executive Officer,
APN News & Media

Ciaran Davis is the chief executive officer of APN News & Media. He was promoted to the position in August 2015 from his role as CEO of Australian Radio Network (ARN). Ciaran spent five years at ARN repositioning the business to become the number one metropolitan radio operator in Australia. Responsible for the recruitment of leading talent to the network and strategic investments such as 96FM, Emotive and iHeartRadio, Ciaran established a new management team and drove a culture of ambition and success throughout the business. Ciaran joined ARN as CEO in January 2010 from Communicorp Group Ltd in Ireland, where he spent 10 years working in executive leadership roles with the group's radio and media interests in Europe and the Middle East. His positions included Commercial Director (2007 to 2010), Chief Executive Officer for 98FM, Dublin (2003 to 2007) and Marketing Director for 98FM (2000 to 2003). Ciaran is also the Chairman of content marketing agency Emotive and a Director of Commercial Radio Australia, The Australian Ireland Fund, Adshel and Soprano Design.



Jeff Howard
Chief Financial Officer,
APN News & Media

Jeff Howard joined APN News & Media in 2010 and was appointed Chief Financial Officer in December 2012. Jeff spent more than nine years with ABN AMRO and RBS in corporate lending and broader relationship banking roles that included a focus on the telecommunications and media sectors. Prior to this, Jeff was with KPMG where he spent nearly 10 years in audit and project roles, including a secondment to KPMG's Philadelphia practice. Jeff completed his Executive MBA with the Australian Graduate School of Management in 2005 and is a Chartered Accountant. Jeff is a Director of Soprano Design, AussieCommerce and Adshel.



Yvette Lamont
Group General Counsel and Company
Secretary, APN News & Media

Yvette Lamont has been Group General Counsel and Company Secretary of APN News & Media since 1998. She was previously General Counsel of pay television company Australis Media Limited (Galaxy), a Senior Associate with law firm Allens (in the Media and Technology Group) and a solicitor with boutique law firm Boyd, House & Partners specialising in media law. Yvette is a Member of the Media and Communications Committee of the Law Council of Australia, has completed the Company Meetings and Company Secretarial Practice courses with the Chartered Institute of Company Secretaries in Australia (now Governance Institute of Australia) and is a Graduate of the Australian Institute of Company Directors. She was admitted as a solicitor to the Supreme Court of New South Wales in 1987 and the High Court of Australia in 1988.



Tony Kendall
Chief Executive Officer, ARN

Tony Kendall commenced his role as Chief Executive Officer of the Australian Radio Network (ARN) in December 2015. Tony joined ARN from Bauer Media where he spent almost three years as director of sales. He joined Bauer in early 2013 from News Corp Australia where he spent over 23 years in senior commercial management roles across Melbourne, Sydney and New York, including a year as the CEO of the Australian magazine division.



Rob Atkinson
Chief Executive Officer, Adshel

Rob Atkinson joined Adshel as Chief Executive Officer in November 2011, having previously held the position of Chief Operating Officer of Clear Channel UK. Rob originally joined Clear Channel as Sales Director in 2005, before being promoted to Group Sales Director and then Managing Director in the same year (2008). Prior to joining Clear Channel, Rob held various senior sales roles at Associated Newspapers in both London and Dublin and won the prestigious Campaign Magazine UK Sales Leader of the Year in 2009. As Chief Executive at Adshel, Rob pioneered the launch of the world's first national digital street furniture network, as well as the biggest national deployment of beacons in the world.



Michael Boggs
Chief Executive Officer, NZME.
(from 8 April 2016)

Michael Boggs was appointed CEO of NZME in March 2016. In his previous role as CFO of NZME Michael was integral in developing the strategy to grow NZME's presence in New Zealand particularly in the areas of digital, video and events whilst upholding the Company's traditional brands including *The New Zealand Herald* and *Newstalk ZB*. Michael joined NZME from TOWER Limited where he successfully managed TOWER's multibillion dollar assets, TOWER's Pacific Islands operations, TOWER's earthquake recovery programme and TOWER's life insurance, health insurance and investment management businesses. Prior to TOWER, Michael held executive roles in leading finance, commercial and business functions in major telecommunications and technology organizations including Telstra Clear and previously Clear Communications. In 2014 Michael was awarded CFO of the year at the annual New Zealand CFO Awards.

Neil Monaghan
Chief Executive Officer,
Australian Regional Media

Neil Monaghan was appointed as Chief Executive Officer of Australian Regional Media in April 2013 after more than 25 years' experience working in procurement and operations across various industries including media, mining and construction. Neil originally joined APN in 2001 as Group Procurement Director and in 2004 was seconded to Dublin to work for Independent News & Media PLC as Head of Global Procurement. After returning to APN in 2008, Neil left in 2009 to consult to the mining industry on projects in Australia and the Middle East, before returning to APN in 2010 as Group Operations & Procurement Director. Neil has a Master of Applied Law from The University of Queensland and is currently a Director of The Newspaper Works.



BOARD OF DIRECTORS



Peter Cosgrove Chairman

Peter Cosgrove has been an APN Board Member since December 2003. He is the founder of the Buspak group of companies in Australia, New Zealand and Hong Kong and has more than 20 years' experience in the publishing, broadcasting and outdoor advertising industries. Mr Cosgrove is a non-executive Chairman of Buspak Hong Kong (since June 2003) and non-executive Deputy Chairman of Clear Media Limited (Director since April 2001), which is listed on the Stock Exchange of Hong Kong. He was previously Chairman of GlobeCast Australia Pty Limited (June 2002 to June 2015), a broadcasting company based in Sydney.

Responsibilities: Non-Executive Director, Chairman of the Board of Directors, Chair of Nomination Committee, Allotment Committee and Options Committee.



Ted Harris AC Deputy Chairman

FinstD, FAIM, FAICD

Ted Harris has been an APN Board Member since March 1992 and Deputy Chairman since December 1994. He was Managing Director and Chief Executive Officer of the Ampol Group (1977 to 1987) and was previously Chairman of Australian Airlines, British Aerospace Australia, Australian National Industries, Thakral Holdings and Gazal Corporation and Deputy Chairman of Metcash Limited. Mr Harris is President of St Vincent's Clinic Foundation, as well as Life Governor of the Melanoma Foundation and a Life Member of the Australian Sports Commission. He was Chairman of the Zoological Parks Board of New South Wales (1973 to 1990) and Chairman of the Australian Sports Commission and Institute of Sport (1984 - 1994). Mr Harris started his career as a broadcaster and journalist with Macquarie Broadcasting Service and is a former Commissioner of the ABC. He was Trustee for the Walkley Awards (1976 to 1980). He was inducted into the Sport Australia Hall of Fame in 2013. He is a recipient of the Queen's Silver Jubilee Medal.

Responsibilities: Non-Executive Director, Deputy Chairman, Member of Nomination and Audit & Risk Committees.



Anne Templeman-Jones Non-Executive Director

BComm (UWA), ACA, EMBA (UNSW), Masters in Risk Management (UNSW).

Anne Templeman-Jones was appointed to the APN Board in June 2013 and brings extensive executive and Non-Executive Director expertise in strategy, banking, finance, risk management and governance. Anne currently serves as the Independent Chair of the Wealth and Advice Subsidiary Boards of the Commonwealth Bank of Australia and as a Non-Executive Director of GUD Holdings Limited, Cuscal Limited, Pioneer Credit Limited and Notre Dame University. Between 1995 and 2015, Anne served as a Non-Executive Director of HBF Health Limited, HBF General Insurance Limited, The McCusker Foundation for Alzheimer's Research and the Travel Compensation Fund. During these tenures, Ms Templeman-Jones held various committees roles Chairing Audit and Risk, Remuneration and Governance. Her executive career up until 2013 included a number of senior executive positions at Westpac, including Director of Corporate and Institutional Banking, Director Group Risk Reward, Head of Strategy and Governance for Pacific Banking and Head of Private Bank (NSW). She previously held senior executive positions in Switzerland, Belgium, Perth and Sydney with AIESEC International, PricewaterhouseCoopers, the Bank of Singapore, the Bank of New Zealand and Australia and New Zealand (ANZ) Banking Group. Ms Templeman-Jones is a Fellow of the Australian Institute of Company Directors and a member of the Australian Institute of Chartered Accountants.

Responsibilities: Non-Executive Director, Chair of Audit & Risk Committee, Member of Audit and Risk and Remuneration Committees.



Paul Connolly
Non-Executive Director

BComm, FCA

Paul Connolly was appointed to the APN Board in October 2012. Mr Connolly has 25 years' experience advising on mergers and acquisitions, takeovers, disposals, fundraisings and initial public offerings. Since 1991, Mr Connolly has been Chairman of Connolly Capital Limited, a Dublin-based corporate finance advisory firm focused on the telecom, media and technology sectors. He was a Director of Esat Telecommunications Limited (Esat Telecom), an Irish telecommunications company, from 1997 to 2000, and then a Director of Digicel Limited, a Caribbean-based telecommunications company. In addition, he was a Director of Melita plc from 2007 through 2016. From 1987 through 1991, Mr Connolly held the position of Financial Controller of Hibernia Meats Limited and prior to that he worked with KPMG as an accountant. Mr Connolly holds a Bachelor of Commerce degree from University College Dublin, Ireland and he is a Fellow of Chartered Accountants Ireland and a member of Executive Summit at Stanford Graduate School of Business. Currently, Mr Connolly serves on the Boards of Communicorp Group and Independent News & Media PLC and he is Chairman of Tetrarch Capital Limited, the private Irish media group Business & Finance and also UNICEF Ireland. In October 2010, he was invited to become an external Senior Advisor to Credit Suisse.

Responsibilities: Non-Executive Director, Member of Remuneration and Nomination Committees.



Peter Cullinane
Non-Executive Director

MBA, MMgt

Peter Cullinane was appointed to the APN Board in November 2013. As the former Chief Operating Officer of Saatchi & Saatchi Worldwide (1998 to 2002) as well as the company's Chief Executive, New Zealand and Chairman, Australasia for over eight years prior, he is a respected force in global advertising and marketing who brings extensive industry knowledge, as well as expertise in Australasian and global markets, to the Board. Based in Auckland, Mr Cullinane is currently the founder and Chairman of Lewis Road Creamery Limited, a fast growing, dairy-based packaged goods business. He is a Director of STW Communications Group (since 2010) and a retired Director of SKYCITY Entertainment Group (2008-2015), where he was Chairman of the Corporate and Social Responsibility Committee and a member of the Governance and Nominations Committee.

Responsibilities: Non-Executive Director, Chair of Remuneration Committee, Member of Remuneration Committee.



Sir John Anderson
Non-Executive Director

FCA, FinStD

Sir John Anderson joined the APN Board in March 2015. Formerly the Chief Executive Officer of the ANZ National Bank, Sir John is currently Chairman of NPT Limited (since April 2011) and Steel & Tube Holdings Limited (since October 2012), Deputy Chairman of Turners & Growers Limited (since December 2012)

and a Director of the Commonwealth Bank of Australia (since April 2007). In 2012, Sir John was awarded an Honorary Doctorate of Commerce by Victoria University, Wellington. Sir John is a Fellow of the New Zealand Institute of Chartered Accountants, Fellow of the Institute of Financial Professionals New Zealand and Fellow of the Institute of Directors and a Life Member of the Australian Institute of Banking and Finance.

Responsibilities: Non-Executive Director, Member of Audit & Risk Committee (from 6 May 2015).



Christine Holman
Non-Executive Director

MBA, GAICD

Christine Holman was appointed to the APN Board in November 2015 and brings a strong understanding of digital media and technology.

She is currently the Commercial Director at Telstra Broadcast Services (until 30 March 2016) and sits on their Executive and Remuneration Committees (until 30 March 2016).

Prior to her role at Telstra Broadcast Services, Christine was the Chief Financial Officer and Commercial Director of Globecast Australia, a joint venture between Orange SA (previously France Telecom) and Australian shareholders, before being acquired by Telstra in June 2015.

Christine spent seven years at Capital Investment Group assisting management and the Board of investee companies on strategy, business development and mergers and acquisitions. She has an MBA from Macquarie University, Post Graduate Diploma in Management from Macquarie University and is a Graduate of the Australian Institute of Company Directors' Company Directors Course.

Responsibilities: Non-Executive Director, Member of Audit & Risk Committee (from 15 December 2015).

FIVE YEAR FINANCIAL HISTORY

AUD million	2015 \$'m	2014 \$'m	2013 \$'m	2012 \$'m	2011 \$'m
Income Statement					
Total revenue	850	843	817	857	1,072
EBITDA ¹	166	164	163	156	209
Depreciation and amortisation	35	33	33	34	38
EBIT ²	131	131	130	122	171
Net interest expense	32	36	33	41	56
Adjusted net profit ³	70	75	60	54	78
Statutory net profit/(loss)	(10)	11	3	(507)	(45)
Balance Sheet					
Equity excluding non-controlling interests	426	434	359	350	876
Total assets	1,134	1,129	1,255	1,294	1,997
Total borrowings	477	497	457	486	670
Net debt	456	458	437	465	646
Statistical Analysis					
EBITDA/total revenue ⁴	19.6%	19.3%	18.5%	16.8%	19.5%
Net debt/EBITDA (times)	2.7	2.8	2.7	3.0	3.1
Interest cover based on EBITDA (times)	5.2	4.5	4.9	3.8	3.7
Basic and diluted earnings per share (cents) ⁵	6.8	7.6	7.7	7.2	10.8
Dividend per share (cents)	-	-	-	1.5	8.5
Dividend payout ratio ⁶	0%	0%	0%	21%	79%
No. of shares on issue ('000)	1,029,041	1,029,041	661,527	661,527	630,211
No. of shareholders	6,818	7,166	8,270	9,546	9,419
Market capitalisation (\$'m)	545	859	298	165	447
Market price per share at 31 December	\$0.53	\$0.83	\$0.45	\$0.25	\$0.71

(1) Earnings before exceptional items, interest, tax, depreciation and amortisation.

(2) Earnings before exceptional items, interest and tax.

(3) Net profit attributable to owners of the parent entity after tax, before exceptional items.

(4) Total revenue includes discontinued operations.

(5) Earnings per share are before exceptional items.

(6) Before exceptional items.

CORPORATE DIRECTORY

APN News & Media Limited ABN 95 008 637 643

Directors

Peter Cosgrove (Chairman)
Ted Harris (Deputy Chairman)
Anne Templeman-Jones
Paul Connolly
Peter Cullinane
Sir John Anderson
Christine Holman

Company Secretary

Yvette Lamont

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Principal bankers

Australia and New Zealand
Banking Group
Bank of China
Commonwealth Bank of Australia
Credit Suisse
GE
HSBC
National Australia Bank
State Bank India
Sumitomo Mitsui Banking
Corporation
Westpac Banking Corporation

Notice is hereby given that the Annual General Meeting of members of APN News & Media Limited will be held at the Establishment Ballroom, 252 George Street, Sydney NSW 2000 on Wednesday, 11 May 2016 at 9.30am.

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