



MARKET ANNOUNCEMENT

FULLY UNDERWRITTEN \$132 MILLION PRO RATA ACCELERATED NON-RENOUCEABLE ENTITLEMENT OFFER

Overview

SYDNEY, 19 February, 2014 – APN News & Media Limited [ASX, NZX: APN] today announced that it is undertaking a fully underwritten 5 for 9 pro rata accelerated non-renounceable entitlement offer of new APN ordinary shares ('New Shares') to raise gross proceeds of approximately \$132 million at a price of \$0.36 per New Share ('Entitlement Offer').

The proceeds of the Entitlement Offer will be used by APN to acquire full ownership of Australian Radio Network Pty Limited ('ARN') and The Radio Network Limited ('TRN') from Clear Channel Communications Inc ('Clear Channel') for \$246.5 million (the 'Acquisition').

APN will settle the Acquisition and take full ownership of ARN and TRN today, 19 February 2014, by drawing down on a bridge facility that will be repaid on completion of the Entitlement Offer. The remainder of the Acquisition purchase price will be funded by \$60 million in proceeds from the sale of APN Outdoor, which completed on 24 January 2014 and \$61 million in debt from APN's existing facilities.

APN has received support for the Acquisition from its key shareholders including Independent News & Media PLC ('INM'), Allan Gray Australia Pty Ltd ('Allan Gray') and Baycliffe Limited ('Baycliffe'), representing 50.4% of the Company's current issued share capital. INM is not participating in the Entitlement Offer; however it remains committed to its stake in APN.

APN has commitments from Allan Gray and Baycliffe, an investment vehicle controlled by Denis O'Brien, that they will take up their full pro rata entitlements. Baycliffe is also sub-underwriting part of the Entitlement Offer equal to the entitlements of INM. The relevant interest of Baycliffe of 30.8% in APN will therefore not change as a result of the Entitlement Offer.

Details of the Entitlement Offer

The Entitlement Offer comprises an accelerated institutional component ('Institutional Entitlement Offer') and a retail component ('Retail Entitlement Offer'). The offer price of \$0.36 per New Share represents a discount of 12.5% to the theoretical ex-rights price (TERP)¹ of \$0.41 per share.

Eligible shareholders will be able to purchase 5 New Shares for every existing 9 APN shares held on the record date of 7:00pm (Sydney time) on 24 February 2014 ('Record Date') (for each shareholder, their 'Entitlement'). New Shares will be fully paid and rank equally in all respects with existing APN ordinary shares from the date of allotment.

¹ TERP is the theoretical price at which APN shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which APN shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP.

The Entitlement Offer is fully underwritten by CBA Equities Limited ('CBA Equities'). CBA Equities is acting as sole lead manager, bookrunner and underwriter to the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will take place on 19 and 20 February 2014. Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. A shortfall bookbuild will be conducted in relation to Entitlements not taken up by eligible institutional shareholders under the Institutional Entitlement Offer beyond Baycliffe's priority sub-underwriting commitment.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia, New Zealand or Ireland on the Record Date will be invited to participate in the Retail Entitlement Offer, which will take place from 27 February 2014 to 14 March 2014. Eligible retail shareholders will have the opportunity to participate at the same offer price and the same offer ratio as the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders may also apply for additional New Shares in excess of their Entitlement up to a maximum of 100% of their Entitlement ('Additional New Shares'). The allocation of Additional New Shares will be made on a pro rata basis and subject to any scale-back at APN's absolute discretion.

Eligible retail shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. APN expects to lodge the Retail Offer Booklet with the ASX and NZX and dispatch to eligible retail shareholders on or about 27 February 2014.

Entitlement Offer timetable

The timetable below is indicative only and may be subject to change. APN, in conjunction with CBA Equities, reserves the right to amend any or all of these dates and times subject to the *Corporations Act 2001* (Cth) (Corporations Act), the ASX Listing Rules, the NZX Main Board Listing Rules and other applicable laws. In particular, APN reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Entitlement Offer without prior notice. Any extension of any of the Closing Dates under the Institutional Entitlement Offer and Retail Entitlement Offer will have a consequential effect on the issue date of New Shares (and Additional New Shares if applicable).

Event	Date 2014
Trading halt, Institutional Entitlement Offer opens	Wednesday 19 February
Institutional Entitlement Offer closes	Thursday 20 February
Record Date (7.00pm Sydney time)	Monday 24 February
Retail Entitlement Offer opens and dispatch of Retail Offer Booklet	Thursday 27 February
Settlement of Institutional Entitlement Offer	Thursday 6 March
Issue and quotation of New Shares under the Institutional Entitlement Offer	Friday 7 March
Retail Entitlement Offer closes	Friday 14 March
Announcement of results of Retail Entitlement Offer	Wednesday 19 March
Settlement of Retail Entitlement Offer	Thursday 20 March

Allotment of Retail Entitlement Offer

Friday 21 March

New Shares under Retail Entitlement Offer commence trading on normal settlement basis

Monday 24 March

Further information

Further details about the Acquisition are contained in a separate announcement and investor presentation ('Investor Presentation') lodged with the ASX and NZX today. The Investor Presentation also includes further information on the Entitlement Offer, including its associated investment considerations and risks.

-- ENDS --

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Not for distribution or release in the United States

This announcement is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission ("ASIC")). The announcement is not and should not be considered an offer or an invitation to acquire entitlements or 'New Shares' or any other financial products.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the US Securities Act (which APN has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws. The distribution of this announcement in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Forward looking statements

This announcement contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of APN the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond

the control of APN, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the key risks section of the Investor Presentation for a summary of certain general and APN specific risk factors that may affect APN.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in the Investor Presentation. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. The forward looking statements are based on information available to APN as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), APN undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.