

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

APN News & Media Limited (APN)

ABN

95 008 637 643

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 343,016,151 Shares (Entitlement Offer Shares) pursuant to a fully underwritten pro-rata accelerated renounceable entitlement offer as detailed in the announcement dated Wednesday, 11 May 2016 (Entitlement Offer). This total comprises 303,449,811 Shares issued under the institutional component of the Entitlement Offer (Institutional Entitlement Offer) and 39,566,340 Shares issued under the retail component of the Entitlement Offer (Retail Entitlement Offer). |

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3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully paid ordinary shares.

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>From their issue date, the Entitlement Offer Shares will rank equally in all respects with the existing fully paid ordinary shares in APN.</p>
5	Issue price or consideration	\$0.53 per Entitlement Offer Share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The net proceeds of the Entitlement Offer will be used to repay a portion of APN's corporate debt, and if the Demerger proceeds (as defined and further explained in the Notice of Meeting and Explanatory Memorandum which was also lodged by APN with the ASX on Wednesday, 11 May 2016), to establish an appropriate post Demerger capital structure for APN and NZME.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	N/A
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

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6d	Number of +securities issued with security holder approval under rule 7.1A	N/A				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A				
7	+Issue dates <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</small>	The issue date under the Institutional Entitlement Offer was Friday, 20 May 2016. The issue date under the Retail Entitlement Offer is scheduled for Tuesday, 7 June 2016.				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1,372,057,507 which includes Shares to be issued under the Entitlement Offer</td> <td>Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	1,372,057,507 which includes Shares to be issued under the Entitlement Offer	Fully paid ordinary shares
Number	+Class					
1,372,057,507 which includes Shares to be issued under the Entitlement Offer	Fully paid ordinary shares					

+ See chapter 19 for defined terms.

	Number	+Class
9	5,654,321	Performance rights issued under APN's Long Term Incentive Plan
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Same dividend entitlements as apply to existing ordinary shares in APN.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1 new share for every 3 existing ordinary shares in APN held at the record date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7:00pm (Sydney time), Friday, 13 May 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Any fractions arising in the calculation of entitlements will be rounded up to the nearest whole number of new Shares.

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- 18 Names of countries in which the entity has security holders who will not be sent new offer documents
- Note: Security holders must be told how their entitlements are to be dealt with.
- Cross reference: rule 7.7.
- For the Institutional Entitlement Offer, all countries other than New Zealand, Hong Kong, Singapore, United Kingdom, Switzerland, Norway, France, Italy, Ireland, Germany, and any other jurisdictions agreed by APN and the Joint Lead Managers.
- For the Retail Entitlement Offer, all countries other than Australia, New Zealand and Ireland.
- 19 Closing date for receipt of acceptances or renunciations
- The Institutional Entitlement Offer closed on Thursday, 12 May 2016.
- The Retail Entitlement Offer closed at 5:00pm (Sydney Time) on Friday, 27 May 2016.

+ See chapter 19 for defined terms.

20	Names of any underwriters	Credit Suisse (Australia) Limited (Credit Suisse) and UBS AG, Australia Branch (UBS)
21	Amount of any underwriting fee or commission	<p>APN has agreed to pay each of Credit Suisse and UBS (as joint lead managers, underwriters and bookrunners) half of each of the following fees: (A) in relation to the Institutional Entitlement Offer, an underwriting fee of 1.45% of the institutional offer proceeds (excluding GST) and a management fee of 0.70% of the institutional offer proceeds (excluding GST); and (B) in relation to the Retail Entitlement Offer, an underwriting fee of 1.45% of the retail offer proceeds (excluding GST) and a management fee of 0.70% of the retail offer proceeds (excluding GST).</p> <p>In addition, APN may, in its absolute discretion, consider paying the underwriters in aggregate an incentive fee of up to 0.35% of the total Entitlement Offer proceeds.</p>
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<p>No prospectus or product disclosure statement was prepared in relation to the Entitlement Offer. Instead, an investor presentation was provided to the ASX on 11 May 2016.</p> <p>A Retail Entitlement Booklet and Entitlement and Acceptance Form was sent to eligible retail shareholders on Wednesday, 18 May 2016.</p>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	<p>Friday, 13 May 2016 (on a deferred settlement basis)</p> <p>Friday, 20 May 2016 (on a normal settlement basis)</p>
29	Date rights trading will end (if applicable)	Friday, 20 May 2016
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<p>Eligible retail shareholders who wanted to sell their entitlements in full on ASX through a broker were able to do so by instructing their broker personally and providing details as requested in the Entitlement and Acceptable Form.</p> <p>All ASX sales of entitlements must have been made by close of retail entitlement trading period, which was Friday, 20 May 2016.</p>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>Eligible retail shareholders who wanted to sell part of their entitlements through a broker and accept for the balance were required to:</p> <ul style="list-style-type: none"> • in respect of the part of their entitlement being taken up, complete and return the Entitlement and Acceptance Form to the APN Share Registry with the required Application

+ See chapter 19 for defined terms.

- Monies (being the issue price multiplied by the number of new Shares applied for) or via BPAY by following the instructions set out in the Entitlement and Acceptance Form; and
- in respect of entitlements to be sold, instruct their broker personally and provide details as requested from the Entitlement and Acceptance Form.

All sales on ASX of eligible retail shareholder entitlements must have been effected by close of the retail entitlement trading period, which was Friday, 20 May 2016.

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- Eligible retail shareholders who participated in the Retail Entitlement Offer who wished to transfer all or part of their entitlement to another person other than on ASX (provided that the purchaser had an address in Australia, New Zealand or Ireland and is not in the United States or acting for the account or benefit of a person in the United States) must have sent a completed Renunciation and Acceptance Form to the APN Share Registry. If the transferee wished to take up all or part of the entitlement transferred to them they must have sent their Application Monies together with the Entitlement and Acceptance Form related to the entitlement transferred to them to the APN Share Registry.
- Renunciation and Acceptance Forms were able to be obtained through the APN Shareholder Information Line or from a stockbroker.
- The Renunciation and Acceptance Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the entitlement transferred must have been received by the Registry no later than 5:00pm (Sydney time) on Friday, 27 May 2016.
- 33 ⁺Issue date
- The issue date under the Institutional Entitlement Offer was Friday, 20 May 2016.
- The issue date under the Retail Entitlement Offer is scheduled for Tuesday, 7 June 2016.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1

⁺ See chapter 19 for defined terms.

- (b) All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

N/A

39 +Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

 If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

 Example: In the case of restricted securities, end of restriction period

 (if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



.....
(Director/Company secretary)

Date: 6 June 2016

Print name: Yvette Lamont

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<i>Add</i> the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p>Total [“A” x 0.15] – “C”</p>	<p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
Step 2: Calculate 10% of “A”	
<p>“D”</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p>Multiply “A” by 0.10</p>	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<p>“E”</p>	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p>Total [“A” x 0.10] – “E”</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.