



MARKET ANNOUNCEMENT

APN INVESTOR DAY AND UPDATE ON TRADING

Sydney, 20 May 2015 - APN News & Media (ASX, NZX: APN) is holding an Investor Day in Sydney today at which APN senior and operational management will be giving detailed presentations on the business and its operations. All materials have been separately lodged on the ASX and NZX.

In his opening company overview presentation, APN's chief executive Michael Miller will highlight the following developments across APN's businesses:

Australian Regional Media

During the second half of 2015, Australian Regional Media (ARM) will launch a digital subscription model for its Queensland daily publications. ARM will be the first Australian regional publisher to introduce digital subscriptions based on the proven metered model.

Mr Miller said: "We firmly believe the introduction of a content-driven metered subscription model to our regional audiences will grow news media revenues over time, as has been demonstrated in international markets."

Adshel

In June 2015, Adshel will commence the digitisation of 35 of its most prominent roadside locations across Auckland CBD and key fringe suburbs. This will offer advertisers greater flexibility, relevance and higher engagement with campaigns targeted by location, time of day and other variables such as the weather. This is part of Adshel's broader plans for a combined 150 digital panels in Auckland, Wellington and Christchurch within the next 12 months.

Adshel also plans to introduce a national digital network in Australia during the second half of this year, where Q1 growth in the out-of-home advertising market was 23 per cent year on year, driven largely by growth in digital revenues.

Mr Miller said: "We continue to expand our digital capabilities and audiences through investment in infrastructure. The launch of Adshel's street furniture digital network will broaden consumer reach and revenues across Australia and New Zealand."

NZME.

NZME is seeing the benefits of its integrated sales proposition through expanded audience share and revenue from both core and new revenue streams. Digital revenues are up more than 50 per cent year-to-date, with online revenue market share increasing from 16 per cent to 20 per cent. The co-

location of the three businesses will be completed by February 2016, which will enable the full benefits of integration to begin to be realised.

Mr Miller said: "NZME is increasing market share by transitioning from selling products to selling its expanded audiences via an integrated sales proposition. The low cross-over of customers in the three businesses is providing revenue growth opportunities."

ARN

ARN is continuing to maximise the changes made to its business in 2014 focusing on seven areas of growth opportunities including:

- Realising Sydney audience gains
- Maximising talent changes in Melbourne breakfast
- Establishing a leadership position in the National Drive day part
- Monetising the purchase of 96FM in Perth
- Integrating 96FM into ARN's five capital city network offering
- Growing iHeartRadio audiences and revenues, and
- Leveraging Emotive's unique content marketing proposition

Mr Miller said: "Following the successful and significant changes implemented across APN's radio business in 2014, ARN is now executing well on a plan to maximise growth opportunities across our national metro radio network, including the increasingly important role we see for iHeartRadio."

Trading Update and Dividend

In a trading update provided at the company's AGM on 6th May, APN said the positive start to 2015 has continued. Year-to-date Group revenues are six per cent ahead of prior year, including the impact of the Perth 96FM acquisition. The key components of the six per cent revenue growth are as follows:

- NZME is two per cent ahead of 2014 on a like-for-like and constant currency basis. The like-for-like adjustment relates to magazine revenue of \$3m excluded from 2014.
- The improving revenue trends in ARM have continued. In the first half of 2014 revenue was down eight per cent on the previous corresponding period, while year-to-date 2015 revenues are down just three per cent.
- The strong performance at ARN continues, albeit comparatives were improving at this time last year. Excluding 96FM, first quarter revenues were up 28 per cent while year-to-date revenues including 96FM are up 35 per cent.
- Market conditions in Hong Kong, which represents less than five per cent of total Group revenues, have been challenging with revenues down 15 per cent year-to-date.

Cost increases were primarily related to:

- ARN and the 96FM acquisition and integration as well as the investment in Melbourne at the beginning of 2015; and
- Revenue growth and integration costs at NZME.

At its AGM, APN also provided an update on the conditions for the reinstatement of a dividend, being net debt and EBITDA leverage below 2.5 times with a minimum payout ratio of 20 per cent.

Ends.

For further information, Peter Brookes, Citadel-MAGNUS +61 (0) 407 911 389