

# **APN News & Media Limited and its Controlled Entities**

## **ASX Half-year information 30 June 2008**

### **Contents**

Results for Announcement to the Market	2
Half-year report	3 - 17
Supplementary Appendix 4D Information	18

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**

**A.B.N. 95 008 637 643**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**(PREVIOUS CORRESPONDING PERIOD: HALF-YEAR ENDED 30 JUNE 2007)**

				<b>\$m</b>
<b>Underlying</b>				
Trading revenue – constant currency – refer note 2	up	2.5%	to	<b>624.5</b>
<b>As reported</b>				
Total revenue and other income	down	0.3%	to	<b>642.7</b>
Net profit attributable to members of the parent entity	down	0.7%	to	<b>71.9</b>

<b>Dividends/distributions</b>	Amount per security	Franked amount per security
Final dividend 2007 – Paid 24 April 2008	21.0 cents	Nil
Interim dividend	10.5 cents	Nil

**Record date** for determining entitlements to the interim dividend

11 September 2008

For further comments, refer to press release.

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**A.B.N. 95 008 637 643**  
**HALF-YEAR REPORT – 30 JUNE 2008**

**Contents**

Directors' Report	4
Independence Declaration	6
Consolidated Income Statement	7
Consolidated Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11
Directors' Declaration	15
Independent Auditor's Review Report to the members	16

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2007 and any public announcements made by APN News & Media Limited during the interim reporting period and up to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**A.B.N. 95 008 637 643**  
**DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of APN News & Media Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2008.

**1. Directors**

The directors of the company at any time during the period ended 30 June 2008 or up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated:

Gavin Karl O'Reilly (Chairman)  
 Albert Edward Harris (Deputy Chairman)  
 Brendan Michael Anthony Hopkins (Chief Executive)  
 Sallyanne Atkinson  
 Donal Joseph Buggy  
 Pierce Patrick Cody  
 Peter Maxwell Cosgrove  
 Liam Pdraig Healy  
 Kevin John Luscombe  
 John Hendrik Maasland  
 Anthony Cameron O'Reilly  
 James Joseph Parkinson (resigned 6 May 2008)  
 Wilson James Whineray (resigned 6 May 2008)

**2. Review of Operations**

The net profit for the consolidated entity, including non-recurring items, for the half-year was:

	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
Profit from continuing operations	<b>86,388</b>	91,830
Net profit attributable to minority interest	<b>(14,448)</b>	(19,352)
Net profit attributable to members of the parent entity	<b>71,940</b>	72,478
Basic earnings per share	<b>14.7 cents</b>	15.2 cents

The net profit for the consolidated entity, excluding non-recurring items, for the half-year was:

	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
Profit from continuing operations	<b>86,818</b>	90,654
Net profit attributable to minority interest	<b>(14,558)</b>	(17,485)
Net profit attributable to members of the parent entity	<b>72,260</b>	73,169
Basic earnings per share	<b>14.8 cents</b>	15.4 cents

**Publishing**

**New Zealand National Publishing**

New Zealand National Publishing comprises:

- The New Zealand Herald, New Zealand's largest daily metropolitan newspaper.
- The Herald on Sunday which was launched in October 2004.
- The Aucklander, which is New Zealand's largest circulating community weekly title (now delivered with the New Zealand Herald).
- New Zealand Magazines, which include New Zealand's Woman's Weekly, the current affairs magazine The Listener, teen title Crème and Simply You and Simply You Living.
- APN Print, an Auckland based specialised commercial printing business.

**Regional Newspapers**

The regional newspapers division has seven regional daily New Zealand newspapers, and over 35 community and free titles in New Zealand. In Australia there are 14 daily newspapers and over 65 non-dailies in regional Queensland and northern New South Wales.

## **APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**

**A.B.N. 95 008 637 643**

### **DIRECTORS' REPORT**

#### **APN Online**

APN Online operates online publishing, business directory listings, mapping and classified advertising businesses across Australia and New Zealand under brands which include nzherald.co.nz, wises.co.nz, finda.co.nz, the Search4 brand and finda.com.au.

#### **Radio**

The Radio division incorporates the activities of the Australian Radio Network (ARN) and The Radio Network in New Zealand (TRN). ARN has stations in Sydney, Melbourne, Brisbane, Adelaide, Canberra and Perth and TRN has stations in all major centres of New Zealand. The Radio Division is 50% owned by Clear Channel Communications, Inc.

#### **APN Outdoor**

The Outdoor division operates in all major metropolitan centres in Australia as well as in New Zealand, Indonesia, Malaysia and Hong Kong. It covers transit, large format, posters and street furniture.

### **3. Income Tax**

The company continues to be engaged in a tax audit in New Zealand. The company is satisfied that its treatment of the New Zealand Masthead Licensing Agreement ("MLA") complies with all relevant legislation.

As part of the Wilson & Horton acquisition in December 2001, APN has received commercial warranties and indemnities from the vendor Independent News & Media PLC ("IN&M") including a full indemnity from IN&M covering all aspects of the MLA (including the financial benefits of the MLA).

### **4. Dividends**

The directors of the company have declared an unfranked interim dividend of 10.5 cents per ordinary share to be paid for the half-year ended 30 June 2008.

### **5. Rounding of Amounts to nearest Thousand Dollars**

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

### **6. Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, follows immediately after the Directors' Report.

Signed at Sydney this 12<sup>th</sup> day of August 2008.

This report is made in accordance with a resolution of the directors.



**GK O'Reilly**  
Director



**BMA Hopkins**  
Director

PricewaterhouseCoopers  
ABN 52 780 433 757

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## Auditor's Independence Declaration

As lead auditor for the review of APN News & Media Limited for the half year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of APN News & Media Limited and the entities it controlled during the period.



Steven Bosiljevac  
Partner  
PricewaterhouseCoopers

Sydney  
12 August 2008

# CONSOLIDATED INCOME STATEMENT

HALF-YEAR ENDED 30 JUNE 2008

	Note	June 2008 \$'000	June 2007 \$'000
Revenue before finance income	2,3	624,470	627,526
Other income	3	15,890	15,015
Expenses before finance costs		(508,149)	(504,753)
Finance income		2,301	2,329
Finance costs		(39,595)	(33,042)
Net finance costs		<u>(37,294)</u>	<u>(30,713)</u>
Share of profits of associates		<u>2,133</u>	2,426
<b>Profit before income tax expense</b>		<b>97,050</b>	109,501
Income tax expense	4	<u>(10,662)</u>	(17,671)
<b>Profit from continuing operations</b>		<b>86,388</b>	91,830
Net profit attributable to minority interest		<u>(14,448)</u>	(19,352)
<b>Net profit attributable to members of the parent entity</b>		<b><u>71,940</u></b>	<u>72,478</u>
<b>Reconciliation of net profit before non-recurring items</b>			
Net profit before non-recurring items, net of tax		72,260	73,169
Non-recurring items, net of tax and minority interest		(320)	(691)
Net profit attributable to members of the parent entity		<u>71,940</u>	<u>72,478</u>
		<b>cents</b>	<b>cents</b>
Basic earnings per share		14.7	15.2
Diluted earnings per share		14.7	14.9

**CONSOLIDATED BALANCE SHEET**

AS AT 30 JUNE 2008

	Note	June 2008 \$'000	Dec 2007 \$'000
<b>Current assets</b>			
Cash and cash equivalents		41,849	88,814
Receivables		214,388	246,380
Inventories		16,183	21,988
Tax assets		4,861	5,628
Other		28,536	29,998
Total current assets		<u>305,817</u>	<u>392,808</u>
<b>Non-current assets</b>			
Receivables		5,427	9,289
Other financial assets		28,974	37,334
Investments accounted for using the equity method		32,408	29,155
Property, plant and equipment		289,180	298,863
Intangible assets	6	<u>1,725,465</u>	<u>1,813,369</u>
Total non-current assets		<u>2,081,454</u>	<u>2,188,010</u>
<b>Total assets</b>		<u>2,387,271</u>	<u>2,580,818</u>
<b>Current liabilities</b>			
Payables		146,141	178,296
Derivative financial instruments		95	2,093
Interest bearing liabilities		16,009	94,768
Current tax provisions		12,749	18,941
Provisions		6,961	7,530
Total current liabilities		<u>181,955</u>	<u>301,628</u>
<b>Non-current liabilities</b>			
Payables		4,840	5,162
Interest bearing liabilities		904,372	840,905
Deferred tax liabilities		127,746	156,001
Provisions		1,517	1,352
Total non-current liabilities		<u>1,038,475</u>	<u>1,003,420</u>
<b>Total liabilities</b>		<u>1,220,430</u>	<u>1,305,048</u>
<b>Net assets</b>		<u>1,166,841</u>	<u>1,275,770</u>
<b>Equity</b>			
Contributed equity		918,404	916,572
Reserves		(52,912)	13,467
Retained profits		70,951	101,772
Total parent entity interest		<u>936,443</u>	<u>1,031,811</u>
Minority interest		230,398	243,959
<b>Total equity</b>		<u>1,166,841</u>	<u>1,275,770</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE HALF-YEAR ENDED 30 JUNE 2008

	Note	June 2008 \$'000	June 2007 \$'000
<b>Total equity at the beginning of the period</b>		<b>1,275,770</b>	1,172,342
Exchange differences on translation of foreign operations		(64,849)	11,320
Unrealised exchange differences on currency hedges		1,646	381
Revaluation of investments		(3,649)	1,541
Net income recognised directly in equity		(66,852)	13,242
Profit from continuing operations		86,388	91,830
Total recognised income and expense for the period		19,536	105,072
Transactions with equity holders in their capacity as equity holders			
Contributions of equity, net of transaction costs	7	1,832	154,779
Option expense		473	597
Dividends provided for or paid		(102,761)	(99,777)
Other transactions with minority interests		(28,009)	(9,581)
<b>Total equity at the end of the period</b>		<b>1,166,841</b>	1,323,432
Total recognised income and expense for the half-year is attributable to:			
Members of APN News & Media Limited		5,088	85,720
Minority interest		14,448	19,352
		19,536	105,072

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE HALF-YEAR ENDED 30 JUNE 2008

	June 2008 \$'000	June 2007 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	722,530	713,372
Payments to suppliers and employees	(582,690)	(582,583)
Dividends received	549	614
Interest received	2,300	2,329
Interest paid	(38,310)	(36,699)
Income taxes paid	(22,707)	(23,247)
<b>Net cash inflows from operating activities</b>	<b>81,672</b>	<b>73,786</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(27,184)	(37,639)
Payments for intangibles	(1,654)	(89,954)
Payments for investments	(2,865)	(6,030)
Proceeds from sale of property, plant & equipment	7,734	14,330
Other	481	2,531
<b>Net cash outflows from investing activities</b>	<b>(23,488)</b>	<b>(116,762)</b>
<b>Cash flows from financing activities</b>		
Loan repayments from/(to) associated entities	729	(6,208)
Repayment of loans to director related entities	(87)	(152)
Proceeds from borrowings	206,366	266,291
Repayment of borrowings	(186,209)	(114,087)
Loans payments from other entities	823	128
Principal funding/(repayments) under finance leases	7	(59)
Payments for borrowing costs	-	(90)
Proceeds from issues of shares	1,832	8,612
Dividends paid to shareholders	(102,761)	(99,777)
Net payments to minority interest	(19,962)	(12,766)
<b>Net cashflows from financing activities</b>	<b>(99,262)</b>	<b>41,892</b>
<b>Change in cash and cash equivalents</b>	<b>(41,078)</b>	<b>(1,084)</b>
Cash and cash equivalents at the beginning of the period	88,814	70,681
Effects of exchange rate changes	(5,887)	(248)
<b>Cash and cash equivalents at the end of the period</b>	<b>41,849</b>	<b>69,349</b>

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by APN News & Media Limited during the interim reporting period and up to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those detailed in the 2007 Annual Report with the exception of the early adoption of the following standards in the current period:

Revised AASB 3 *Business Combinations*  
Revised AASB 127 *Consolidation and Separate Financial Statements*  
AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*

The early adoption of these standards has resulted in the following changes to the Group's accounting policies in the current reporting period:

- in a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and any resulting gain or loss is recorded in the income statement;
- following initial recognition, contingent payments are subsequently remeasured at fair value through the income statement;
- where a minority is acquired in a controlled subsidiary, the cost to acquire such minority is taken as a reduction against reserves; and
- all transaction costs are expensed.

<b>June 2008</b>	June 2007
<b>\$'000</b>	\$'000

**2. REVENUE BEFORE FINANCE INCOME**

Advertising revenue	<b>606,394</b>	602,099
Sale of goods	<b>18,076</b>	25,427
<b>Revenue before finance income</b>	<b>624,470</b>	<b>627,526</b>

**UNDERLYING REVENUE BEFORE FINANCE INCOME**

<b>Revenue before finance income</b>	<b>624,470</b>	627,526
Translation of 2007 revenues at 2008 exchange rates	-	(18,214)
<b>Trading Revenue – constant currency</b>	<b>624,470</b>	<b>609,312</b>

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2008**

	<b>June 2008</b>	June 2007
	<b>\$'000</b>	\$'000
<b>3. SEGMENT INFORMATION</b>		
<b>Segment revenues – continuing revenue from external customers</b>		
Publishing	375,718	386,686
Broadcasting	117,610	124,484
Outdoor	127,288	116,314
Corporate & other	3,854	42
	<b>624,470</b>	<b>627,526</b>
Other income	15,890	15,015
Finance income	2,301	2,329
<b>Total revenue and other income</b>	<b>642,661</b>	<b>644,870</b>
<b>Segment Results (before interest and income tax)</b>		
Publishing	91,745	101,438
Broadcasting	33,823	36,519
Outdoor (including share of profits of associates)	16,049	9,239
Corporate & other	(2,658)	(4,775)
<b>Segment result</b>	<b>138,959</b>	<b>142,421</b>
<b>Non-recurring items</b>		
Corporate & other - profit on disposal of properties	2,604	7,780
Corporate & other - profit on sale of business	-	1,105
Corporate & other - fair value adjustment on acquisition of associate	7,228	-
Corporate & other - restructuring and redundancies	(4,471)	(1,742)
Corporate & other - project planning and implementation	(3,622)	(3,949)
Corporate & other - scheme costs and other	(782)	(2,295)
Online - development and rollout costs	(3,772)	(3,106)
Online - restructuring and redundancies	(1,800)	-
	<b>(4,615)</b>	<b>(2,207)</b>
Profit from continuing operations before interest and tax	134,344	140,214
Net finance costs	(37,294)	(30,713)
Profit before income tax expense	97,050	109,501
Income tax expense	(10,662)	(17,671)
<b>Profit from continuing operations</b>	<b>86,388</b>	<b>91,830</b>

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2008**

	<b>June 2008</b>	June 2007
	<b>\$'000</b>	\$'000
<b>4. INCOME TAX EXPENSE</b>		
Income tax expense differs from the amount prima facie payable as follows:		
Profit before income tax expense	<b>97,050</b>	109,501
Prima facie income tax at 30%	<b>29,115</b>	32,850
Tax effect of permanent differences:		
Option expense	<b>142</b>	179
Differences in international tax treatments	<b>(14,967)</b>	(12,745)
Change in NZ tax rate	<b>-</b>	(1,550)
Other	<b>(1,542)</b>	(1,121)
Prima facie tax adjusted for permanent differences	<b>12,748</b>	17,613
(Over)/ under provision in prior years	<b>(2,086)</b>	58
Income tax expense	<b>10,662</b>	17,671

The company continues to be engaged in a tax audit in New Zealand. The company is satisfied that its treatment of the New Zealand Masthead Licensing Agreement ("MLA") complies with all relevant legislation.

As part of the Wilson & Horton acquisition in December 2001, APN has received commercial warranties and indemnities from the vendor Independent News & Media PLC ("IN&M") including a full indemnity from IN&M covering all aspects of the MLA (including the financial benefits of the MLA).

**5. DIVIDENDS**

**Ordinary Shares**

Dividends provided for and/or paid during the half-year	<b>102,761</b>	99,777
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**Dividends not recognised at the end of the half-year**

In addition to the above dividends, since the end of the half-year, the directors have declared the payment of an unfranked interim dividend of 10.5 cents per share (2007 – 10.5 cents per share unfranked). The aggregate amount of the proposed dividend expected to be paid on 2 October 2008 but not recognised as a liability at the end of the half-year

	<b>51,413</b>	52,456
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**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2008**

	<b>June 2008</b>	Dec 2007
	<b>\$'000</b>	\$'000
<b>6. INTANGIBLE ASSETS</b>		
Goodwill	<b>304,982</b>	298,188
Software – net of accumulated amortisation	<b>6,726</b>	5,851
Mastheads – at cost	<b>1,009,766</b>	1,097,577
Radio Licences – net of accumulated amortisation	<b>307,578</b>	308,112
Transit and outdoor advertising systems – at cost	<b>54,713</b>	54,713
Brands – at cost	<b>40,033</b>	46,946
Lease intangibles – net of accumulated amortisation	<b>1,667</b>	1,982
	<b>1,725,465</b>	1,813,369

**7. EQUITY SECURITIES ISSUED**

	<b>June 2008</b>	June 2007	<b>June 2008</b>	June 2007
	<b>No. of shares</b>	No. of shares	<b>\$'000</b>	\$'000
<b>Balance at start of period</b>	<b>489,124,380</b>	460,286,604	<b>916,572</b>	817,579
<b>Issues of ordinary shares during the half-year</b>				
Exercise of options issued under the APN Employee Option Plan	<b>527,001</b>	2,293,207	<b>1,832</b>	8,612
Conversion of Notes	<b>-</b>	37,003,976	<b>-</b>	146,167
	<b>527,001</b>	39,297,183	<b>1,832</b>	154,779
<b>Balance at end of period</b>	<b>489,651,381</b>	499,583,787	<b>918,404</b>	972,358

**8. CONTINGENT LIABILITIES**

**Guarantees**

The parent entity and all wholly owned controlled entities have provided guarantees in respect of its credit facilities. As at 30 June 2008, the facilities have been drawn to the extent of \$925,437,569 (December 2007: \$863,991,763).

The parent entity and some wholly owned controlled entities have given guarantees in respect of certain banking facilities to a maximum of \$60,000,000 (December 2007: \$60,000,000).

**Claims**

Claims for damages are made against the consolidated entity from time to time in the ordinary course of business. The directors are not aware of any claim that is expected to result in significant costs or damages.

**APN NEWS & MEDIA LIMITED AND ITS CONTROLLED ENTITIES**  
**A.B.N. 95 008 637 643**  
**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of their performance, as represented by the results of their operations and their cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Signed at Sydney this 12<sup>th</sup> day of August 2008



**GK O'Reilly**  
Director



**BMA Hopkins**  
Director

## Independent auditor's review report to the members of APN News & Media Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of APN News & Media Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the APN News & Media Limited Group (the consolidated entity). The consolidated entity comprises both APN News & Media Limited (the company) and the entities it controlled during that half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of APN News & Media Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's review report to the members of  
APN News & Media Limited (continued)**

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of APN News & Media Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Steven Bosiljevac  
Partner

Sydney  
12 August 2008

**APN NEWS & MEDIA PTY LIMITED**  
**SUPPLEMENTARY APPENDIX 4D INFORMATION**

**NTA Backing**

	<b>June 2008</b>	June 2007
Net tangible asset backing per ordinary share	<b>(1.61)</b>	(1.57)
Net asset backing per ordinary share	<b>1.91</b>	2.14

**Controlled entities acquired or disposed of:**

- Balance of shares of Sell-Me-Free Limited acquired effective 16 March 2008.
- Balance of shares of APN Finda Limited acquired 8 January 2008.

**Additional dividend/distributions information**

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 30 June 2008 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend \$'000	Franked amount per security	Foreign sourced dividend amount per security
8 April 2008	24 April 2008	Final	21.0 cents	102,761	Nil	-
11 September 2008	2 October 2008	Interim	10.5 cents	51,413	Nil	-

**Associates and Joint Venture entities**

<i>Name</i>	Ownership interest		Aggregate share of profits/(losses), where material		Contribution to net profit, where material	
	<b>2008</b> %	2007 %	<b>2008</b> \$000	2007 \$000	<b>2008</b> \$000	2007 \$000
Adshel Street Furniture Limited	<b>50%</b>	50%	<b>3,037</b>	2,894	<b>3,037</b>	2,894

**Dividend/distribution reinvestment plans**

The company has reinstated its dividend reinvestment plan under which the holders of ordinary shares may elect to have all or part of their dividend entitlement satisfied by the issue of new ordinary shares rather than being paid cash. Shares issued under the plan will not attract any discount to the market price.

The last date for the receipt of an election notice for participation in the dividend reinvestment plan for the interim dividend for the 6 months ending 30 June 2008 is 11 September 2008.