

APN MEDIA (NZ) LIMITED
HALF YEAR
FOR THE PERIOD ENDED 30 JUNE 2012

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APN MEDIA (NZ) LIMITED
Company No 3173145

APN Media (NZ) Limited	
Results for announcement to the market	
Reporting Period	1 January 2012 – 30 June 2012
Previous Reporting Period	15 October 2010 – 30 June 2011

	\$'000	Percentage change
Revenue from ordinary activities	5,113	(9%)
Profit from ordinary activities after tax attributable to shareholder	474	(51%)
Net profit attributable to shareholder	474	(51%)

Interim/Final Dividend	Amount per security	Imputed amount per security
	No dividend payable	Not Applicable
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	

Directors' Report

Your Directors present their report on APN Media (NZ) Limited ('the Company') for the period ended 30 June 2012.

Directors

The directors of the Company at any time during the period ended 30 June 2012 or up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated:

John Maasland
Phillip Eustace
Peter Myers

Principal Activity

The Company is a wholly owned indirect subsidiary of APN News & Media Limited ('APN') and was formed for the primary purpose of issuing unsecured, unsubordinated, fixed rate debt securities ('APN Media Bonds').

These financial statements should be read in conjunction with the APN Group half year report which can be viewed at www.apn.com.au.

Review of Operations

The Company posted a result for the period with Net Profit after Tax of \$474,000 (2011:\$978,000).

In December 2010 the Company issued and allotted \$100,000,000 APN Media Bonds. The proceeds less cost of the issue were lent to a related company in the APN Group.

Corporate Governance

As a wholly owned indirect subsidiary of APN, the Company follows the corporate governance policies adopted by the APN Group where applicable. In particular, the Board has no fewer than three Directors; has at least one non-executive independent Director and meets at least twice a year.

Directors' Remuneration

The Directors received no remuneration from the Company during the period.

No Director holds a relevant interest in any shares in the Company.

As at 30 June 2012 Directors held the following interest in the ultimate parent, APN:

Director	Ordinary Shares	Options
John Maasland	-	-
Phillip Eustace	-	400,000
Peter Myers	252,000	500,000

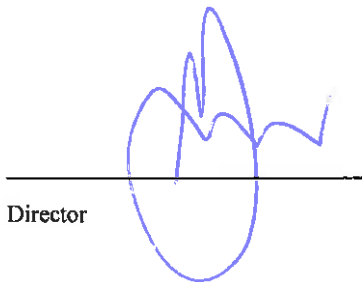
Use of Company Information

During the period the Board received no notices from Directors requesting them to use Company information which would not otherwise have been available to them.

Signed in accordance with a resolution of Directors



Director



Director

Date: 16 August 2012

APN MEDIA (NZ) LIMITED
Company No 3173145

STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 30 June 2012

	Notes	June 2012 \$'000	June 2011 \$'000
Revenue from ordinary activities	2	5,113	5,652
Administration costs		(52)	(35)
Interest costs		(3,931)	(4,258)
Amortisation of borrowing costs		(472)	-
Profit before income tax		658	1,359
Income tax expense	3	(184)	(381)
Profit after tax attributable to shareholder		474	978
Other comprehensive income		-	-
Total comprehensive income for the period attributable to shareholder		474	978

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BALANCE SHEET
as at 30 June 2012

	Notes	June 2012 \$'000	Dec 2011 \$'000
ASSETS			
Current assets			
Prepayments		-	15
Total current assets		<u>-</u>	<u>15</u>
Non-current assets			
Related party receivable	9	99,218	98,124
Total non-current assets		<u>99,218</u>	<u>98,124</u>
Total assets		<u>99,218</u>	<u>98,139</u>
LIABILITIES			
Current liabilities			
Payables and accruals	4	524	541
Current tax payable		588	438
Total current liabilities		<u>1,112</u>	<u>979</u>
Non-current liabilities			
Interest bearing liabilities	5	96,503	96,031
Total non-current liabilities		<u>96,503</u>	<u>96,031</u>
Total liabilities		<u>97,615</u>	<u>97,010</u>
Net assets		<u>1,603</u>	<u>1,129</u>
EQUITY			
Contributed equity	6	-	-
Retained earnings	7	1,603	1,129
Total equity		<u>1,603</u>	<u>1,129</u>

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STATEMENT OF CHANGES IN EQUITY
for the half year ended 30 June 2012

	Contributed equity	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Total equity at beginning of the period	-	-	-
Total comprehensive income	-	978	978
Total equity as at 30 June 2011	-	978	978

	Contributed equity	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Total equity at beginning of the period	-	1,129	1,129
Total comprehensive income	-	474	474
Total equity as at 30 June 2012	-	1,603	1,603

Due to rounding convention used in these financial statements, \$100 of contributed equity is not displayed (refer Note 7).

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STATEMENT OF CASH FLOWS
for the half year ended 30 June 2012

	June 2012	June 2011
	\$'000	\$'000
Cash flow from operating activities		
Interest received	3,931	3,932
Interest paid	(3,931)	(3,932)
Net cash inflow from operating activities	-	-
Cash flow from investing activities		
Loans advanced to related party	-	(95,049)
Net cash outflow from investing activities	-	(95,049)
Cash flow from financing activities		
Proceeds from issue of APN Media Bonds	-	100,000
Payments of borrowing costs	-	(4,951)
Net cash inflow from financing activities	-	95,049
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	-	-

APN MEDIA (NZ) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2012

1. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable New Zealand Financial Reporting Standards.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements are presented in New Zealand dollars unless otherwise stated and all values are rounded to the nearest thousand dollars (\$000). The functional currency is New Zealand Dollars (NZD).

The Company is profit-oriented.

The financial statements have been prepared on a historical cost basis with any exceptions noted in the accounting policies below.

The Company has net current liabilities at balance date. The financial position of the Company is dependent on the APN Group. The Directors consider the related party receivable to be recoverable based on the APN Group's Directors' declaration contained in the APN Group half year report that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The accounting policies adopted are consistent with those detailed in the 2011 Annual Report. These policies have been consistently applied to all periods presented.

APN MEDIA (NZ) LIMITED
Company No 3173145

NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2012

	June 2012 \$'000	June 2011 \$'000
2. Revenue from ordinary activities		
Interest income on related party receivables	<u>5,113</u>	<u>5,652</u>
3. Income tax		
Current tax expense	<u>184</u>	<u>381</u>
Income tax expense	<u>184</u>	<u>381</u>

Income tax expense is calculated prima facie as:

Profit before income tax	658	1,359
Prima facie income tax at 28%	<u>184</u>	<u>381</u>

	June 2012 \$'000	Dec 2011 \$'000
4. Payables and accruals		
Accrued interest on APN Media Bonds	328	328
Resident withholding tax payable	196	193
Other accruals	-	20
	<u>524</u>	<u>541</u>
5. Interest-bearing liabilities		
APN Media Bonds issued	100,000	100,000
Less borrowing costs	(3,497)	(3,969)
Interest-bearing liabilities, net of borrowing costs	<u>96,503</u>	<u>96,031</u>

APN Media Bonds

On 15 December 2010, the Company issued \$100,000,000 of APN Media Bonds, bearing a fixed interest rate of 7.86% per annum payable quarterly in arrears or any Early Redemption Date. The APN Media Bonds will mature on 15 March 2016 subject to early redemption in the following circumstances:

- early redemption by the issuer on or after 15 December 2012 and prior to the Maturity Date
- redemption following change of control
- redemption following an event of default

The Company has no intention to exercise the early redemption clause in the next 12 months and accordingly has recognised the liability as non-current.

6. Contributed equity

The Company issued 100 fully paid ordinary shares with a nominal value of \$1 each. All ordinary shares carry equal rights in respect of voting, dividend payments and any surplus on winding up the Company.

	June 2012 \$'000	Dec 2011 \$'000
7. Retained earnings		
Opening balance	1,129	-
Net profit for the year	474	1,129
Closing balance	<u>1,603</u>	<u>1,129</u>

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NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 30 June 2012

	June 2012	Dec 2011
8. Net tangible asset		
Net tangible asset per share	\$16,025	\$11,289
Net tangible asset per APN Media Bond	\$0.02	\$0.01

9. Related party transactions

The Company has a related party receivable with APN Holdings NZ Limited (a fellow APN Group subsidiary) which reflects the lending of the net proceeds of the APN Media Bonds and accrued interest income. In keeping with the aim stated in the Prospectus dated 5 November 2010, the net proceeds raised through the Offer were used primarily to reduce debt under the APN Group's existing Bank Facilities.

This receivable earns interest at a fixed rate of 10.5% until maturity or unless otherwise agreed (refer Note 2)

10. Contingencies

There were no contingent liabilities as at June 2012

11. Parent company

The immediate parent company is Wilson & Horton Limited. The ultimate parent is APN News & Media Limited.

12. Subsequent events

There are no events subsequent to the balance date affecting the Company.

13. Credit rating

The Company has not sought and does not hold a credit rating from an accredited rating agency.



MEMORANDUM

TO : Board of Directors
APN Media (NZ) Limited

FROM : Jeff Howard

DATE : August 2012

SUBJECT : APN Media Bond - Directors Semi-Annual Report to
Trustee

I have reviewed the attached Directors Report for the period ended 30 June 2012 to The New Zealand Guardian Trust (**Trustee**) required under clause 12.2(c) of the Master Trust Deed dated 3 November 2010 between APN Media (NZ) Limited and the Trustee (**Directors Report**).

I certify that the information contained in it is to the best of my knowledge and belief complete and accurate as at today's date.

Regards,

Jeff Howard

APN News & Media Limited

ABN 95 008 637 643

Level 4 100 William Street Sydney NSW 2011 Australia Telephone 61 2 9333 4999 Facsimile 61 2 9333 4900

APN Media (NZ) Limited

Attention: Manager, Corporate Trusts
The New Zealand Guardian Trust Company Limited
Guardian Trust House
Level 3
15 Willeston St
PO Box 913
Wellington

Via Facsimile: +64 4 499 1454

Dear Sirs


- 1 This report is given by the undersigned Directors of APN Media (NZ) Limited (the *Issuer*) pursuant to clause 12.2(c) of the Master Trust Deed dated 3 November 2010 (the *Trust Deed*) between the Issuer and The New Zealand Guardian Trust Company Limited as trustee in connection with the APN Media Bond (NZDX:APM010).
- 2 Unless the context otherwise requires, terms defined in the Trust Deed have the same meaning herein.
- 3 We, the undersigned, hereby state that as at the last day of the half year ending on 30 June 2012 (*Reporting Date*), to the best of our knowledge and belief having made all due inquiries:
 - 3.1 with the exception of the Issuer, the guaranteeing group for the APN Media Bond comprises the same companies as the guaranteeing group under the Bank Facilities (as defined in the Guarantee defined in, and as referred to in, the Supplemental Trust Deed for the Series);
 - 3.2 no matter has arisen relating to the Issuer which would materially and adversely affect the ability of the Issuer to perform its payment obligations under the Trust Deed and any relevant Supplemental Trust Deed and the Bonds or which materially and adversely affects the relevant Holders;
 - 3.3 the Issuer has observed and complied with all payment obligations under the Trust Deed and any relevant Supplemental Trust Deed in respect of Bonds including the payment of all interest on, and the Principal Amount in respect of, the Bonds;
 - 3.4 no Event of Default has occurred;
 - 3.5 the Principal Amount of Bonds which have been repaid on maturity is \$0,
 - 3.6 all interest due on the Bonds has been paid;
 - 3.7 each Register in respect of a Series has been duly maintained in accordance with the Trust Deed;
 - 3.8 there is no financial covenant set out in the Supplemental Trust Deed relating to the Bonds, however the financial covenant set out in clause 10.1 of the Guarantee has been complied with in accordance with its terms;
 - 3.9 the Issuer has not relied upon the exemptions contained in the Securities Act (APN Media (NZ) Limited) Exemption Notice 2010 during the most recently completed half-year;

APN Media (NZ) Limited

- 4 As at the date of this certificate, having considered the financial position (including contingent liabilities) of the Issuer as a going concern (which the Directors are satisfied will be the case) and such budgets, reports, projections, certificates and assurances as they deem necessary and the anticipated trading transactions and sources of finance arranged or capable of being arranged during the 12 months from the Reporting Date, to the best of our knowledge and belief the Issuer will be able to meet all its liabilities (including maturing Bonds and interest on Bonds) which fall due or are anticipated to become payable during the 12 months from the Reporting Date in accordance with accepted commercial practice.
- 5 As at the Reporting Date:
- 5.1 the aggregate Principal Amount of the Bonds outstanding is NZ\$100 million; and
- 5.2 the amount of any accrued but unpaid interest relating to the outstanding Bonds is NZ\$327,000.

This report is given on the 16th day of August 2012



Director of Issuer

Director of Issuer