Appendix 4D and Half Year Financial Report

APN News & Media Limited and controlled entities
for the period ended 30 June 2011

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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 2011
(PREVIOUS CORRESPONDING PERIOD: HALF-YEAR ENDED 30 JUNE 2010)

Results for announcement to the market

Revenue from continuing operations	flat		at	**$508.1m**
Net profit attributable to members of the parent entity	down	352%	to	**($98.3m)**

Dividends	Amount per share	Franked amount per share
Final dividend 2010	7.0 cents	2.0 cents
Interim dividend	3.5 cents	3.5 cents
Record date for determining entitlements to the interim dividend	7 September 2011	
Date dividend payable	28 September 2011	

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 2011.

1. Directors

The directors of the company at any time during the period ended 30 June 2011 or up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated:

Gavin O'Reilly (Chairman)
Ted Harris (Deputy Chairman)
Brett Chenoweth (Chief Executive) (appointed 1 January 2011)
Pierce Cody
Peter Cosgrove
Vincent Crowley
Kevin Luscombe
John Maasland
John Harvey (appointed 1 January 2011)

2. Review of Operations

The results of the company for the half year include:

- Revenue in line with prior year at $508.1m despite difficult publishing market
- Segment result (EBIT before exceptionals) of $66.5m
- Outdoor and Radio divisions produce solid outcomes
- Publishing markets impacted by earthquakes and floods
- Impairment charge of $156.0m before tax in relation to New Zealand Publishing assets

Refer to market announcement for additional details.

3. Dividends

The directors of the company have declared a dividend of 3.5 cents per ordinary share fully franked to be paid for the half-year ended 30 June 2011. The record date for the dividend is 7 September 2011 and the dividend will be payable on 28 September 2011.

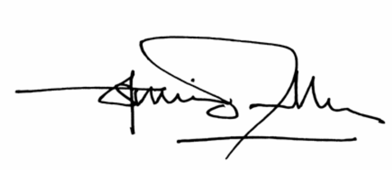
4. Rounding of Amounts to nearest Thousand Dollars

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.

5. 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.

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



Gavin O'Reilly
Chairman

Brett Chenoweth
Chief Executive Officer

18 August 2011
Sydney

Auditor's Independence Declaration

As lead auditor for the review of APN News & Media Limited for the half-year ended 30 June 2011, 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.

DS Wiadrowski
Partner
PricewaterhouseCoopers

Sydney
18 August 2011

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Consolidated Income Statement

for the period ended 30 June 2011

	Note	**June 2011 $'000**	June 2010 $'000
Revenue from continuing operations	2	**508,066**	507,448
Other revenue and income	2	**10,005**	2,345
Total revenue and other income	2	**518,071**	509,793
Impairment of intangible assets		**(156,030)**	-
Expenses before finance costs		**(466,809)**	(422,527)
Finance costs		**(28,454)**	(25,343)
Share of profits of associates		**1,656**	641
Profit / (loss) before income tax expense	3	**(131,566)**	62,564
Income tax expense		**44,129**	(13,096)
Profit / (loss) from continuing operations		**(87,437)**	49,468
Loss from discontinued operations		**-**	(510)
Profit / (loss) for the period		**(87,437)**	48,958
Profit attributable to non controlling interest		**(10,889)**	(9,976)
Profit / (loss) attributable to owners of the parent entity		**(98,326)**	38,982
EPS from continuing operations			
Basic/diluted EPS	12	**(16.1) cents**	6.6 cents
EPS from continuing and discontinued operations			
Basic/diluted EPS	12	**(16.1) cents**	6.5 cents

Consolidated Statement of Comprehensive Income

for the period ended 30 June 2011

	June 2011 $'000	June 2010 $'000
Profit / (loss) for the period	**(87,437)**	48,958
Exchange differences on translation of foreign operations	**11,041**	9,150
Changes in fair value of hedges	**(1,168)**	(1,482)
Exchange and other differences applicable to non controlling interest	**2,512**	503
Other comprehensive income, net of tax	**12,385**	8,171
Total comprehensive income	**(75,052)**	57,129
Total comprehensive income attributable to:		
Owners of the parent entity	**(88,453)**	46,650
Non controlling interest	**13,401**	10,479
	(75,052)	57,129

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

Consolidated Balance Sheet

as at 30 June 2011

	Note	**June 2011 $'000**	Dec 2010 $'000
Current assets			
Cash and cash equivalents		**25,304**	63,539
Receivables		**151,080**	169,185
Inventories		**8,454**	12,404
Income tax receivable		**554**	-
Derivative assets		**-**	263
Other current assets		**23,817**	26,417
Total current assets		**209,209**	271,808
Non-current assets			
Receivables		**2,938**	4,186
Other financial assets		**22,359**	26,172
Investments accounted for using the equity method		**41,112**	41,152
Property, plant and equipment		**238,877**	243,335
Intangible assets	6	**1,459,533**	1,573,998
Derivative assets		**-**	753
Retirement benefit asset		**1,471**	1,518
Total non-current assets		**1,766,290**	1,891,114
Total assets		**1,975,499**	2,162,922
Current liabilities			
Payables		**120,234**	119,729
Derivative liabilities		**1,250**	483
Interest bearing liabilities		**26,957**	25,765
Current tax liabilities		**8,494**	5,574
Provisions		**16,372**	10,432
Total current liabilities		**173,307**	161,983
Non-current liabilities			
Payables		**2,688**	2,596
Interest bearing liabilities		**656,140**	694,328
Derivative liabilities		**2,210**	2,460
Deferred tax liabilities		**49,113**	106,455
Provisions		**6,866**	6,895
Total non-current liabilities		**717,017**	812,734
Total liabilities		**890,324**	974,717
Net assets		**1,085,175**	1,188,205
Equity			
Contributed equity	8	**1,064,306**	1,045,999
Reserves		**(65,923)**	(75,796)
Accumulated losses		**(148,922)**	(8,170)
Total parent entity interest		**849,461**	962,033
Non controlling interest		**235,714**	226,172
Total equity		**1,085,175**	1,188,205

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

Consolidated Statement of Changes in Equity

for the period ended 30 June 2011

	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Non controlling interest $'000	Total equity $'000
Balance at 1 January 2010		1,024,815	(43,550)	(48,172)	933,093	223,443	1,156,536
Total comprehensive income		-	7,668	38,982	46,650	10,479	57,129
Transactions with equity holders							
Contributions of equity	8	7,988	-	-	7,988	-	7,988
Dividends paid		-	-	(23,812)	(23,812)	-	(23,812)
Transactions with non controlling interests		-	-	-	-	(8,639)	(8,639)
Total equity at 30 June 2010		1,032,803	(35,882)	(33,002)	963,919	225,283	1,189,202
Balance at 1 January 2011		**1,045,999**	**(75,796)**	**(8,170)**	**962,033**	**226,172**	**1,188,205**
Total comprehensive income		**-**	**9,873**	**(98,326)**	**(88,453)**	**13,401**	**(75,052)**
Transactions with equity holders							
Contributions of equity	8	**18,307**	**-**	**-**	**18,307**	**-**	**18,307**
Dividends paid		**-**	**-**	**(42,426)**	**(42,426)**	**-**	**(42,426)**
Transactions with non controlling interests		-	-	-	**-**	**(3,859)**	**(3,859)**
Total equity at 30 June 2011		**1,064,306**	**(65,923)**	**(148,922)**	**849,461**	**235,714**	**1,085,175**

Consolidated Statement of Cash flows

For the period ended 30 June 2011

	June 2011 $'000	June 2010 $'000
Cash flows from operating activities		
Receipts from customers	**591,503**	583,410
Payments to suppliers and employees	**(496,429)**	(466,995)
Dividends received	**329**	336
Interest received	**262**	412
Interest paid	**(26,154)**	(21,578)
Income taxes paid	**(15,740)**	(9,644)
Net cash inflows from operating activities	**53,771**	85,941
Cash flows from investing activities		
Payments for property, plant and equipment	**(12,457)**	(11,205)
Payments for goodwill	**(3,670)**	-
Payments for software	**(498)**	(688)
Payments for other intangible assets	**(116)**	(70)
Proceeds from sale of property, plant & equipment	**1,342**	1,721
Proceeds from sale of financial assets	**3,201**	-
Acquisition of controlled entities, net of cash acquired	**(1,881)**	-
Dividend received from associates	**1,000**	2,351
Loans repaid by/(advanced to) other entities	**1,493**	(92)
Other	**-**	253
Net cash outflows from investing activities	**(11,586)**	(7,730)
Cash flows from financing activities		
Loans repaid by associates	**15**	1,924
Proceeds from borrowings	**133,469**	69,179
Repayments of borrowings	**(177,622)**	(115,839)
Payments for borrowing costs	**(640)**	-
Principal repayments under finance leases	**(1,196)**	(1,110)
Dividends paid to shareholders	**(24,119)**	(15,824)
Net payments to non controlling interest	**(10,596)**	(8,639)
Net cash flows from financing activities	**(80,689)**	(70,309)
Change in cash and cash equivalents	**(38,504)**	7,902
Cash and cash equivalents at the beginning of the period	**63,539**	32,727
Effects of exchange rate changes	**269**	1,004
Cash and cash equivalents at the end of the period	**25,304**	41,633

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

Basis of preparation

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 all notes of the type normally included in an annual financial report and accordingly should 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 2010 Annual Report. These policies have been consistently applied to all periods presented.

Significant Accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below:

(i) Impairment
The Group tests on an annual basis and when there are indications of impairment whether goodwill and other non-amortising intangible assets have suffered any impairment. The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions. Refer to note 6 for details of these assumptions and details of the impairment charge recorded at 30 June 2011.

2. Revenue and other income

	June 2011 $'000	June 2010 $'000
Advertising revenue	**505,060**	505,187
Revenue from sale of goods	**3,006**	2,261
Revenue from continuing operations	**508,066**	507,448
Finance income	**772**	412
Dividends received	**329**	336
Rent received	**545**	431
Bad debts or expenses recovered	**116**	95
Fair value adjustment on acquisition of associate	**8,127**	-
Gain on sale of properties	**-**	1,061
Other	**116**	10
Total other revenue and income	**10,005**	2,345
Total revenue and other income	**518,071**	509,793

Notes to the Financial Statements

3. Segment Information

Description of segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and the senior management team in assessing performance and determining the allocation of resources. There are five reportable segments as follows:

Australian Regional Media	Newspaper, magazine and online publishing
New Zealand Media	Newspaper, magazine and online publishing and digital businesses
Australian Radio	Metropolitan Radio Networks
New Zealand Radio	Radio Networks throughout New Zealand
Outdoor	Roadside billboard, transit and other advertising

Results by operating segment

The Directors and senior management team assess the performance of the operating segments based on a measure of EBIT which excludes the effects of exceptional items such as restructuring costs and impairments of intangible assets.

The segment information provided to the Directors and senior management team for the period ended 30 June 2011 is as follows:

2011 $'000	**Australian Regional Media**	**New Zealand Media**	**Australian Radio**	**New Zealand Radio**	**Outdoor**	**Unallocated**	**TOTAL**
Revenue from external customers	**134,897**	**147,909**	**63,102**	**40,343**	**121,815**	**-**	**508,066**
Segment result	**17,625**	**21,842**	**20,289**	**4,816**	**12,443**	**(10,532)**	**66,483**

Reconciliation of segment result to operating profit before income tax

Segment result	**66,483**
Net finance costs	**(27,682)**
Fair value adjustment on acquisition of associate	**8,127**
Redundancies and associated costs	**(10,344)**
Asset write downs	**(11,310)**
Impairment of intangibles	**(156,030)**
Closure of Finda	**(810)**
Profit / (loss) before tax from continuing operations	**(131,566)**

The fair value adjustment on acquisition of associate is the uplift in fair value that arises from the acquisition of the further 25% of IdeaHQ.

Redundancies and associated costs relate the restructuring program put in place during the half with approximately 200 staff being made redundant in our publishing divisions.

Asset write downs relate mainly to the closure of certain loss making magazines in our Australian Regional Media division and the closure of the Bundaberg and Mackay printing facilities plant and equipment.

Notes to the Financial Statements

3. Segment Information (continued)

2010 $'000	Australian Regional Media	New Zealand Media	Australian Radio	New Zealand Radio	Outdoor	Unallocated	TOTAL
Revenue from external customers	140,461	156,357	61,033	40,208	109,389	-	507,448
Segment result	28,884	34,011	21,286	4,534	6,869	(8,440)	87,144

Reconciliation of segment result to operating profit before income tax

Segment result	87,144
Net finance costs	(24,931)
Gain on disposal of properties	1,061
Redundancies and associated costs	(958)
New Zealand music royalties	(1,847)
Multimedia restructure	(905)
Reversal of impairment of investment in associates	3,000
Profit before tax from continuing operations	62,564

New Zealand music royalties represent backdated payments since 2007 following the conclusion of the music royalty rate litigation between the New Zealand radio industry and the governing body.

Multimedia restructure costs include costs of developing new product offerings as well as the now discontinued strategies.

4. Dividends

	June 2011 $'000	June 2010 $'000
Final dividend for the year ended 31 December 2010 of 7.0 cents per share, franked to 2.0 cents, paid on 31 March 2011 (2009: 4.0 cents per share fully franked paid on 30 March 2010)	**42,426**	23,812
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 interim dividend of 3.5 cents per share fully franked (2010: 5.0 cents paid on 28 September 2010). The aggregate amount of the proposed dividend expected to be paid on 28 September 2011 but not recognised as a liability at the end of the half-year is	**21,650**	29,941

There were no foreign sourced dividend amounts for the above dividend payments

Dividend reinvestment plan
Shareholders may participate in the Company's dividend reinvestment plan (DRP) for the interim dividend for the half-year ended 30 June 2011. In accordance with the DRP Terms and Conditions, the DRP Price will be 97.5% of the weighted average sale price for APN shares sold on the ASX during the period from 8 September 2011 to 14 September 2011 inclusive. The last date for the receipt of an election notice for participation in the DRP for the final dividend is 7 September 2011.

Notes to the Financial Statements

5. Investments accounted for using the equity method

Name of associate	**Ownership interest**		**Consolidated carrying values**	
	2011	2010	**2011**	2010
Adshel Street Furniture Pty Limited	50%	50%	34,673	33,689
Eventfinder Limited	29%	29%	439	467
IdeaHQ Limited[1]	75%	50%	-	996
Soprano Design Pty Limited	25%	25%	6,000	6,000

1 – Additional 25% interest acquired in February 2011 and consolidated from that date – Refer note 10 for further details

Share of profits of associates		
Profit after income tax expense	1,656	641

6. Intangible assets

	June 2011 $'000	Dec 2010 $'000
Goodwill	**215,738**	196,252
Software – net of accumulated amortisation	**6,338**	4,828
Mastheads – at cost less provision for impairment	**798,701**	938,205
Radio Licences – net of accumulated amortisation	**338,040**	337,977
Transit and outdoor advertising systems – at cost	**54,713**	54,713
Brands – at cost	**44,968**	40,748
Lease intangibles – net of accumulated amortisation	**1,035**	1,275
	1,459,533	1,573,998

Impairment of intangible assets

At the balance date it has been determined that there are indicators of impairment of our New Zealand publishing assets, arising from the natural disasters and subdued economic environment affecting the areas in which they operate. Therefore, in accordance with AASB 136 we have performed an impairment review of the respective cash generating units.

The value in use calculations used in the impairment review have been based on management budgets and forecasts for a five year period, extrapolated at estimated growth rates not exceeding the long term average growth rate for the business in which the CGU operates.

The key assumptions used in the value in use calculations are

- Long term growth rates between 2.5% and 4%, with a higher medium term growth rate of between 4% and 10% for the online businesses
- A post tax discount rate of 10.0%.

As a result of the review, the carrying amount of goodwill and mastheads allocated to the New Zealand Metro and New Zealand Regionals CGU's has been reduced to their recoverable amounts through the recognition of an impairment loss. This impairment is a result of a number of factors, including the impact of the Christchurch earthquakes on the New Zealand economy, the slower than expected recovery of the advertising markets and the ongoing impacts of the global financial crisis.

The impairment charge against the New Zealand Metro CGU is $140.4m and reduces the carrying value of the masthead intangible to $540.0m at 30 June 2011. The impairment charge against the New Zealand Regionals CGU is $15.6m and reduces the carrying value of the goodwill and masthead intangibles to $109.4m at 30 June 2011.

The Directors note that the extent and duration of the current weakness is difficult to predict but remain confident in the long term prosperity of the Group's New Zealand publishing assets and the markets in which they operate.

Directors consider that, notwithstanding the impairment provision recognised, that the fair value of the Group's intangible assets in aggregate is in excess of carrying value.

Notes to the Financial Statements

7. Asset backing

	June 2011 **$**	Dec 2010 $
Net tangible asset backing per ordinary share	**(0.63)**	(0.65)
Net asset backing per ordinary share	**1.37**	1.59

8. Equity securities issued

	June 2011 No. of shares	June 2010 No. of shares	**June 2011 $'000**	June 2010 $'000
Balance at start of period	**606,084,019**	595,311,925	**1,045,999**	1,024,815
Dividend Reinvestment Plan	**12,484,273**	3,511,928	**18,307**	7,988
	12,484,273	3,511,928	**18,307**	7,988
Balance at end of period	**618,568,292**	598,823,853	**1,064,306**	1,032,803

9. 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 2011, the facilities have been drawn to the extent of $694,913,790 (December 2010: $732,365,704).

The parent entity and some wholly owned controlled entities have given guarantees in respect of certain banking facilities to a maximum of $45,000,000 (December 2010: $45,000,000).

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.

10. Acquisitions and disposals of material controlled entities

Acquisitions

Name of entity	Date acquired	Ownership interest
IdeaHQ Limited(1)	25 February 2011	75%

1) The Group acquired an additional 25% of IdeaHQ Limited on 25 February 2011 and has consolidated the company from that date.

Disposals

Name of entity	Date disposed
None	

Notes to the Financial Statements

11. Business Combinations

On 25 February 2011 the group acquired a further 25% of IdeaHQ Limited, a group of online businesses based in New Zealand, including the group buying business GrabOne. The acquisition increased the group's shareholding to 75% and IdeaHQ has been consolidated from that date.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	1,932
Contingent consideration	2,318
Fair value of previously held interest	9,660
Total purchase consideration	**13,910**

Cash and cash equivalents	441
Receivables	659
Investments	468
Property, plant and equipment	305
Intangible assets	4,820
Total assets	6,693
Payables	3,530
Deferred tax liabilities	945
Total liabilities	4,475
Value of net identifiable net assets	2,218
Less: Non controlling interests	(4,637)
Add: Goodwill	16,329
Net assets acquired	**13,910**

The goodwill is attributable to the fast rate of growth in sales and resulting profitability, particularly in relation to GrabOne in both New Zealand and Australia.

i) Contingent consideration

In the event that certain pre-determined gross margin thresholds are achieved by IdeaHQ, contingent consideration up to a maximum of NZ$3,000,000 may be payable in cash.

ii) Non controlling interests

The non controlling interest has been recognised at fair value.

iii) Revenue and profit contribution

The acquired business contributed revenues of $3,182,000 and a net loss after tax of $811,000 to the group for the period from 25 February 2011 to 30 June 2011.

Notes to the Financial Statements

12. Earnings per share

	2011 Cents per share	2010 Cents per share
Basic / diluted earnings per share	**(16.1)**	6.6
Basic / diluted earnings per share from continuing and discontinued operations	**(16.1)**	6.5

	2011 number	2010 number
Weighted average number of ordinary shares outstanding during the period used in the calculation of:		
Basic / diluted earnings per share	**612,395,513**	597,087,189

13. Income tax

The company is engaged in a tax audit with the Inland Revenue Department in New Zealand. The company is satisfied that its treatment of the particular financial instrument complies with all relevant legislation.

Directors' Declaration

In the Directors' opinion:

a) the financial statements and notes set out on pages 6 to 17 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 2011 and of its performance 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.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Gavin O'Reilly
Chairman

Brett Chenoweth
Chief Executive Officer

18 August 2011
Sydney

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 statements of APN News & Media Limited which comprise the balance sheet as at 30 June 2011, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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 2011 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.

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.

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

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 2011 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

DS Wiadrowski
Partner

Sydney
18 August 2011