



APN SHAREHOLDER REVIEW 2008



CONTENTS



APN NEWS & MEDIA 2009 FINANCIAL CALENDAR

2008 Annual Result announced	25 February 2009
Record date for final dividend	24 March 2009
Final dividend payable	23 April 2009
Annual General Meeting	5 May 2009
2009 Half-year result announced	11 August 2009
Interim dividend payable	1 October 2009

The above dates are indicative only and are subject to change

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A PORTFOLIO OF WORLD CLASS MEDIA ASSETS THAT CONTINUE TO STAND THE TEST OF TIME

The strength of APN News & Media has always been its diverse base of quality media properties across a range of markets. At a time when a global financial crisis is challenging world commerce, APN's ability to draw revenue from a diverse pool of well-managed operations across five countries has afforded the Company some protection from the full force of the global slowdown.

In a year where all sectors of the economy faced uncertainty, APN's portfolio approach of operating across multiple media sectors in a variety of traditionally strong markets has produced a respectable result for shareholders.

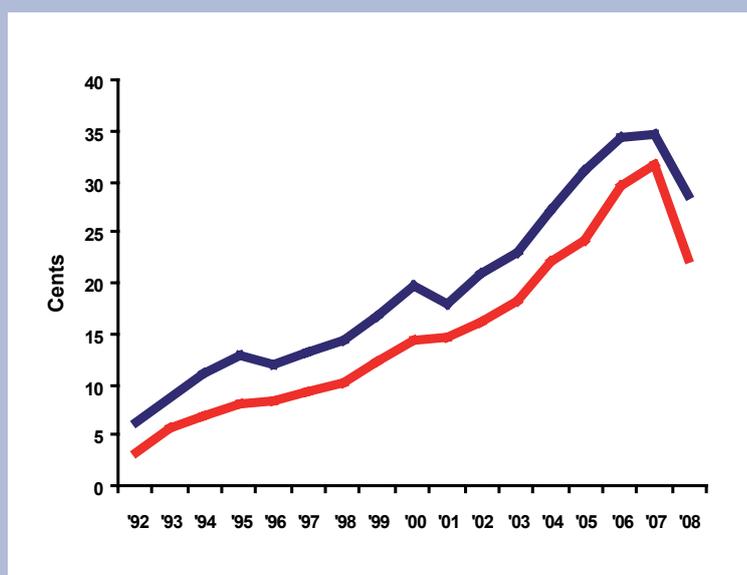
While uncertainty still dogs the global economy, APN's publishing, radio, online and outdoor advertising businesses are well placed to take full advantage of any improvement in economic conditions.

2008 HIGHLIGHTS

APN News & Media Limited reported a Net Profit After Tax before exceptional items of \$140.1 million.

The Directors have declared a full-year dividend of 22.5 cents per share.

APN DIVIDENDS AND EARNINGS PER SHARE



2008 FULL YEAR RESULT (PRE-EXCEPTIONALS)

(AUD millions)	2008	2007	Change
Underlying revenue*	1,226.4	1,314.2	(7%)
EBITDA (Earnings before interest, tax, depreciation and amortisation)	319.5	361.0	(11%)
Net profit after tax	140.1	169.5	(17%)
Diluted earnings per share	28.6	34.4	(17%)
Net (loss)/profit after exceptional items	(24.0)	167.4	

*excludes finance and other income

CHAIRMAN'S REVIEW



This is my first report to you as shareholders of APN and I think you will agree I could not have chosen a more challenging environment against which to review our progress.

World markets have experienced a significant economic shock in 2008. Despite the dramatic change in overall trading conditions, certain enduring business fundamentals remained the same. In APN News & Media's case, it has meant that our well-managed, cash-generating businesses in traditionally resilient markets have continued to produce a satisfactory operating outcome for shareholders.

Net Profit After Tax before exceptional items was \$140.1 million, compared with a record \$169.4 million in the prior year. Given the uncertainty in the broader marketplace and the economic factors affecting so many of our clients, we believe this to be a respectable and resilient outcome.

Total dividends of 22.5 cents per share were distributed to you as shareholders. While this reflects a very healthy dividend yield, it is of no comfort that this is the first time in APN's 16 years as a company listed on the Australian Stock Exchange that there has been a reduction in the annual dividend paid to shareholders. However, in the current uncertain economic environment, it is incumbent on your Directors to act prudently. In that regard, the decision to retain capital for alternative use within the Company and with regard to tightening credit markets was not taken lightly.

Exceptional items of \$164.1 million included a non-cash impairment charge of \$146.8 million, which related to the New Zealand assets acquired as part of the Wilson & Horton acquisition in December 2001. In contrast, the current value of all other assets, particularly those in Australia, is significantly in excess of their book value. Accounting rules do not allow the Company to offset this excess against the write-down.

In recent years, shareholders have perhaps enjoyed significant annual profit growth; however, for the immediate future, expectations will necessarily need to moderate. This will particularly be the case in the first half of this year, when comparisons with prior periods will be challenging, given the near record performance in the first half of 2008.

All shareholders will, no doubt, be frustrated to have witnessed the reduction in value of their stock during the past 24 months, particularly when the markdown bears no relevance to the underlying trading performance and to the high quality of APN's assets. We believe we have moved fast in recent times. As far back as 2005, well before the phrase "Global Financial Crisis" came into being, the Board and management proactively started a process of strategic restructuring, to position APN as the low cost operator in each of its markets. While the timing and the magnitude of the global slowdown has surprised many, I think you will agree that APN is now well positioned with a lower cost base to help trade through this unusual economic cycle, and will benefit greatly when the upturn eventually occurs.

The decision to restructure costs was taken sufficiently early that your Company has certainly produced a better result than would otherwise have been possible. Looking at the cost base of the Company in

2005, had management done nothing and allowed costs to grow at a simple annual Consumer Price Index of 3%, we would have a \$100 million a year higher cost base than we have now. This capital intensive programme of new press facilities, changed sales structures, centralised services and production outsourcing has clearly already started to pay back. That programme is now complete, our cost base has been lowered and operational leverage has improved. Our businesses are on a sound footing.

Since the end of the financial year both Liam Healy and Sallyanne Atkinson advised they will retire from the Board at the conclusion of the Annual General Meeting. I know all shareholders will join me in thanking both of them for their enormous contribution to the development of your Company from a local Queensland newspaper company to the Trans-Tasman multimedia group that it is today.

Sallyanne joined the Board in 1999 – and as the enthusiastic former Lord Mayor of Brisbane as well as a former journalist, she has ensured that APN has never strayed from its Queensland roots and during her time with the Company, she has been a most conscientious and valuable member of the Board.

Liam's retirement marks the end of an era for your Company. Liam was one of the original architects of the purchase of Provincial Newspapers Queensland (PNQ) in 1988 and was its first CEO – which latterly became APN News & Media. Liam's methodical and insightful leadership over the past 21 years has been one of the most enduring constants of your Company; a Company that has evolved with a sense of clarity and purpose. It is not overstating the case to say that we are all indebted to his distinguished and unparalleled service.

On your behalf I want to record our deepest appreciation and wish them both well in the future.

When releasing the full year results on 25 February, the Directors noted that it was extremely difficult to forecast against the background of world market conditions but wished to provide investors with the Company's expectations for the year. For 2009, Net Profit After Tax is expected to be in line with the market consensus of \$120 million, with all the shortfall against the 2008 year occurring in the first half.

On behalf of the Board, I would like to extend my thanks to my fellow Directors, to our Chief Executive, Brendan Hopkins, to all of the senior management team and to all the hard working and industrious APN employees for their unstinting efforts in what has been a very challenging year.

Finally to you, our shareholders, I would like to record my appreciation for your continued support.

Gavin K O'Reilly
Chairman
24 March 2009

CHIEF EXECUTIVE'S REVIEW



The 2008 year marked some of the most challenging trading conditions that APN News & Media has faced as a listed company. However through a combination of strategic restructuring, tight cost control and innovative revenue generation, your Company has, we believe, produced a satisfactory result.

The Company's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$319.5 million was in line with market expectations.

It is worth looking at the result in the context of where we have come from. APN's portfolio of world class media assets has produced consistently good returns for all shareholders since listing on the Australian Stock Exchange in 1992. Normally, our spread of diverse markets would have provided us with some hedge against an economic downturn in one or two of our markets however it is impossible to completely avoid the global nature of the current situation.

One of APN's enduring strengths has been its ability to build quality operations in markets with dependable long-term growth prospects. Our local franchises are well positioned to trade through this time of uncertainty and respond with improved operating leverage to any upturn.

The 2008 year began reasonably and the interim result was in line with the prior corresponding period. Trading slowed sharply in the second half and especially in the fourth quarter as the Australian economy, in particular, began to feel the effects of the global financial crisis.

Our New Zealand businesses experienced a sharp slowdown in the local economy throughout 2008. This flowed through to our advertising revenues and required significant restructuring of our costs. Indeed, costs in the New Zealand operations in 2008 were significantly down in local currency terms compared to 2007.

The real variations in the fourth quarter outcomes came from our Australian Publishing and Outdoor operations. Despite attempts by the Federal Government to stimulate consumer demand, the gathering momentum of the global financial crisis affected the confidence of our customers. This resulted in a number of national advertisers electing not to proceed with planned campaigns. A

number of government campaigns were also held back.

In early November we reported that the restructuring programme which commenced three years ago was complete. This programme positions APN well for these difficult times. All material capital expenditure programmes in connection with the restructuring are completed and the vast majority of the one-off costs of restructuring are also behind us. As we face the New Year we are seeing these benefits reflected in our cost base, albeit a couple of months later than we had anticipated. Total costs for the first quarter will be 7% lower than in the same period last year. In a revenue-constrained environment, our ability to manage costs is paramount.

In the current economic climate it would be easy to succumb to the negative reports about the future of media. We remain extremely positive about the long-term prospects for our media businesses in general, and our Publishing businesses in particular. The performance of newspapers in Australia and New Zealand stands in clear contrast to overseas markets, particularly in the United States and United Kingdom. Locally, newspapers have far less reliance on classified advertising, are experiencing good readership growth, enjoy high subscription rates and are seeing solid outcomes in national and retail advertising. This is not the case in other overseas markets especially the United States and United Kingdom. Newspapers in Australia and New Zealand deliver high penetration within well-defined discrete markets, giving them the opportunity to foster long-term interaction with their local communities and strong business relationships with local advertisers. APN is at the forefront of delivering a highly local, integrated business model to readers and clients which will, we believe, ensure a long and profitable future for newspapers in our markets.

The New Zealand Herald secured its position and remains the most read newspaper in that country with excellent readership gains over the year. The Herald on Sunday continued its profitable growth coupled with strong circulation and readership gains and is the fastest growing newspaper in the country.

Our Radio assets are tracking well with good advertising market share trends in Australia and a record audience share result for

New Zealand, where 47.3% of New Zealanders aged 10+ listen to an APN radio station.

The Outdoor division performed well, producing EBIT growth and building on its position as the leading Outdoor operator in Australasia.

APN Online made important gains in its local search strategy through the Australian finda brand as well as reaching new records for traffic and advertising on the award-winning nzherald.co.nz news website.

More details about all of these successes can be found in this Report.

Forward bookings in March have improved after a slow start to the year. National and Retail advertising, which accounts for almost 80% of total advertising revenues and almost 60% in our Publishing divisions, is solid. Outdoor bookings are showing some improvement and Radio is, as forecast, showing gains in advertising market share in Australia.

APN has always been a strong cash-generating business. At a time of global credit tightness, this is an important factor in its ongoing success. APN has been active in managing the maturity profile of its funding lines. During the 2008 year, \$330 million in maturities were extended from 2010 to 2011 and, since the end of the year, a further \$50 million in maturities were extended to 2012. APN now has less than 25% of its funding lines maturing inside the next two years, with no material maturities until December 2009. We are pleased with the progress to date in extending our facilities and are actively progressing the remaining maturities.

The outlook for the year remains challenging, with the first half being set against an almost record performance in the prior period. Looking ahead, the likelihood is for the first half's trading to be another tough reporting period with all the \$20 million shortfall to the expected year end performance occurring in the first half. The diversity in our revenue base will help us, given our exposure to a wider range of markets than most. Notwithstanding a decline in revenue and EBIT, all of APN's Divisions either grew or maintained market share in 2008.

APN's world class media assets serve their local markets well –

markets that have shown in the past their resilience and ability to quickly respond to improvements in underlying economic conditions. This, coupled with improved operating leverage resulting from the completed restructuring programme, means we will benefit from greater cost reductions as the year progresses.

While all media companies have felt the impact of the global financial crisis, we are confident that APN is better placed than most to trade through this difficult period and benefit from any upturn in the general economy.

We have a strong management team in place which continues to lead each of our businesses with diligence and skill. I would like to thank all APN staff for their dedication and commitment in a difficult trading environment.

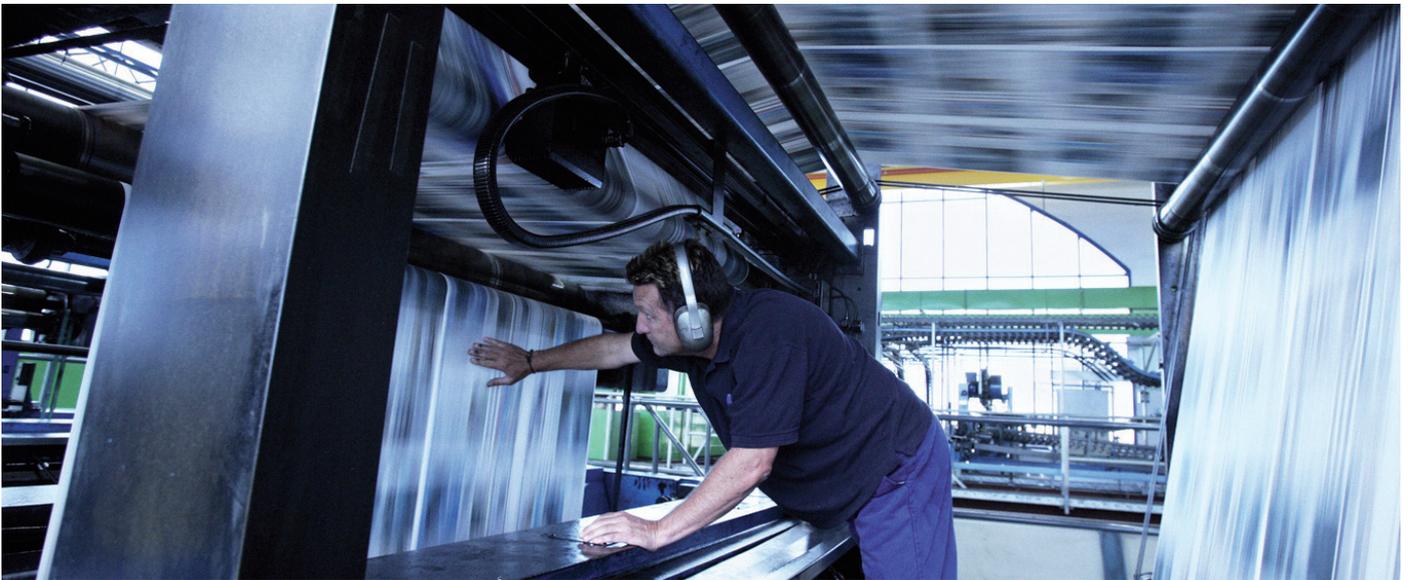
The 2009 year began slowly but overall numbers have improved in the current month although forward orders are operating on a much shorter cycle than normal and medium term visibility is therefore restricted.



Brendan MA Hopkins

Chief Executive

24 March 2009



AUSTRALIA

APN's operations across Australia cover Publishing, Online, Radio and Outdoor advertising.

With a significant presence in all major metropolitan markets, as well as in the high growth areas of northern New South Wales and regional Queensland, the vast majority of Australians are touched by an APN product every day.

Whether it is the daily newspaper in Rockhampton with the latest local news or the breakfast programme on WFSM in Sydney keeping commuters entertained on their way to work, APN's suite of Australian media assets provides quality content and superior access to consumers across the country.

APN AUSTRALIAN PUBLISHING operates 14 regional daily newspapers and more than 60 non-daily and community titles across Queensland and northern New South Wales.

The group's Publishing footprint extends from the Coffs Coast in northern New South Wales all the way to Cairns in Far North Queensland. With a broad cross section of daily newspapers, community titles and lifestyle magazines, APN Australian Publishing offers the greatest reach and frequency of any publisher in its growing regional markets.

Together with a fast expanding Online presence, APN's titles provide unequalled coverage of its target markets, for users of its Publishing and Online products, and for its advertisers. APN's strength remains its trusted brands, local content and the unique connection with the communities in which it operates.

Trading through 2008 was challenging, in line with the general trends experienced across the entire Australian economy, particularly in the last quarter. Queensland was the last of the Australian states to experience the consequences of the global

financial crisis, and its impact on the key resources industry became particularly evident in November and December of 2008. However, the state's civil infrastructure development programme and the continuing northern influx of immigrants from southern states has helped underpin local demand, providing some offset for local economies from the full impact of the global slowdown.

Ongoing readership gains across the regional network of publications produced solid advertising bookings from national clients. National advertising is emerging as an increasingly important category, which, together with Retail advertising, is now approaching 60% of total advertising revenue for the Australian Publishing group.

Despite the impact of the global financial crisis, the real estate and employment pillars again recorded growth over the prior year.

Widespread flooding in Central Queensland in the first quarter had a significant operational impact on our operations in Mackay and Emerald, but determined efforts by our local employees got the newspapers onto the streets and into people's homes. More recent flooding in North Queensland has not disrupted APN markets. In fact, good rainfalls across central and southern Queensland have bolstered local agricultural industries, which are also benefitting from a lower Australian dollar, assisting exports.





Upgraded press facilities are now operational at Ballina, Rockhampton, Bundaberg and Mackay. Together with the state of the art press centre at Yandina on the Sunshine Coast, these centres are producing high quality gloss and newsprint colour publications that are being well supported by readers and advertisers.

APN ONLINE made significant gains in its aim to become the leader in Online in each of its local markets. This is particularly so in the northern markets of NSW and Queensland. Regional Australia represents a significant business opportunity in this sector as internet users increasingly seek out local information online.

The development of an online APN Regional News Network, based around upgraded masthead websites, is well advanced and is attracting good traffic and advertising revenue. These sites are being developed in tandem with a suite of finda branded online businesses, which will provide local communities with extensive local information for their specific region. Sites have been launched in Toowoomba and the Sunshine Coast, with positive responses from local advertisers and audiences. The complementary news and finda sites will offer advertisers access to significant local audiences which they are currently unable to reach through other online offerings.

THE AUSTRALIAN RADIO NETWORK (ARN) broadcasts across 12 metropolitan FM and AM stations on two networks: Classic Hits and Mix, reaching 4.2 million listeners across Australia each week.

ARN ended the year strongly, with its Sydney stations combining to be the number one network for both the 10+ demographic and ARN's target audience of 25-54. ARN was the top network for 25-54 in the combined markets of Sydney and Melbourne – Australia's two largest radio markets. At a time when the radio sector has been under pressure due to marketing cutbacks by some large advertisers, ARN's ability to deliver a well-defined target audience has been a real benefit to its clients.

The highly competitive nature of the radio industry was evident in the first half of the year, when ARN did lose some advertising share. But from September, ARN made good gains, particularly in the Direct sales category. ARN has a long tradition of strength in Direct sales and a renewed focus in this area produced dividends. Sydney sales were encouraging and a new sales structure in Melbourne is showing early signs of success.

Planning for the launch of digital radio in Australia is complete, which will give ARN the opportunity to simulcast existing FM and AM stations on digital spectrum, as well as test new formats. The networks have also had good success with online developments and a new suite of sites are being developed to enhance clients' interactions with listeners.

APN OUTDOOR is the market leader in each of the main outdoor advertising categories in Australia: large format, posters, transit and street furniture. Despite a tough trading environment, particularly in the final quarter, the Division as a whole produced a strong result, maintaining revenue on a constant currency basis and growing earnings before interest and tax (EBIT).

The Outdoor sector grew revenue as a whole by 3.2% in 2008, underlining the resilience of the medium even in tough trading conditions. One example of the innovative nature of the business was APN Outdoor's launch of the country's largest digital billboard. The billboard is on one of the best outdoor sites in Melbourne – the Young and Jackson building opposite Flinders Street Station. With high vehicle and pedestrian traffic, the digital site generates significantly greater revenue than a comparable static site. The digital technology allows advertisers to change quickly and economically and also to target messages by day part. The site is already strongly booked for 2009.

The roadside poster business continued to produce good results, with the rationalisation of old sites and the introduction of new formats into select locations offering an upgraded inventory to advertisers.

Adshel continued to expand its street furniture operations, which now has 13,500 advertising panels in 120 council areas across Australia and New Zealand. Adshel offers the largest street furniture coverage in Australia, with 92% of Australians in metro cities living in Adshel areas. Adshel retained important contracts and rolled out a programme of new sites in Canberra.

While the economic slowdown did have an impact on revenue for the Outdoor group as a whole, it has also allowed the renegotiation of leases on more advantageous terms, helping to lower its cost base.



NEW ZEALAND

APN News & Media is the largest media company in New Zealand. With the country's most read newspaper, most read consumer magazine, the leading news website, the largest radio network and the leading outdoor advertising operation, no media company reaches out to New Zealanders like APN.

The power of APN's media brand is no better illustrated by its presence in the Auckland market, New Zealand's largest city. Eight out of ten Aucklanders aged 15+ read an APN publication each week. That is an extraordinary penetration into the country's largest market. When combined with the eight FM radio stations APN operates, our leading online presence and some of the country's best outdoor sites, APN's reach into New Zealand's commercial capital is unequalled.

The New Zealand economy has posed a challenge to APN's operations, with clients' marketing budgets being cut and consumer confidence falling. But a tight focus on costs, combined with innovative revenue programmes, has seen APN's New Zealand businesses produce creditable performances.



APN NEW ZEALAND PUBLISHING includes the country's leading daily newspaper, The New Zealand Herald, together with the Herald on Sunday, seven regional daily titles, more than 30 community titles, APN Educational Media and New Zealand Magazines.

In line with the New Zealand economy as a whole, trading conditions were challenging throughout the year. Low business and consumer confidence in the face of the global financial crisis reduced advertising spend across most categories. However, market share gains were achieved in the fourth quarter through the packaging of advertising across newspapers and magazines.

When growing revenue is challenging, improvements in efficiency and productivity become even more important. APN has had a number of successes in this area. One example is the outsourcing of newspaper production to a central facility in Auckland, where over 1,000 pages a week are now produced across all titles. The outcome has been a lift in quality and improved work flows. A similar approach has been taken to advertising production and regional circulation and marketing functions with centralised, insourced teams located in Auckland and Tauranga.

After two years of consistent readership growth, The New Zealand Herald added a further 10,000 readers in the most recent readership survey (Nielsen National Readership Survey Jan-Dec 2008) to reach an average of 583,000 readers each day. The Monday (572,000), Wednesday (625,000), Thursday (583,000) and Weekend Herald (615,000) editions remain the most read newspapers in the country. Readership is the key metric used by our advertisers and the



ongoing strength in the Herald's reader base will stand the business in good stead through this economic cycle. More than half of the Herald's daily cover sales are to long-term subscribers.

The Herald on Sunday also continued to win significant market share, adding 37,000 readers on the prior year, achieving a record total of 382,000 readers, just four years after its launch. The paper is profitable and is the leading Sunday newspaper in the commercially-important northern region of New Zealand. Readership has increased 17% in three years and the paper now has 64,000 more readers than its nearest competitor. Readership in Auckland increased by 18% - nine times the population growth. The success and the quality of the Herald on Sunday were recognised in the Qantas Media Awards when it was named newspaper of the year. The continued support of Herald readers enables advertisers to penetrate all advertising market segments and augurs well for any improvement in economic activity.

NEW ZEALAND MAGAZINES are also growing market share. The New Zealand Woman's Weekly remains the most read mass market magazine in the country, with 863,000 readers – 58,000 more readers than its nearest competitor. The New Zealand Listener remains the number one selling current affairs magazine and Creme has secured its position as the best selling teen title, with circulation of 19,315 and readership up 36% to 164,000 readers. The Simply You fashion title's circulation of 37,413 is 42% higher than its nearest competitor. The magazines also benefit from strong subscriber support, where, for example, 67% of the circulation of The New Zealand Listener is subscriber-based.

The breadth of readership that the magazine group covers, combined with the penetration of the newspaper titles, has allowed added value package deals to be negotiated with advertisers.

The economy was subdued across the country in 2008, and particularly so in regional areas. APN's regional New Zealand publications bore the brunt of lower consumer demand and reductions in advertising spending. However, a lower New Zealand dollar has provided an offset to weakening international demand for New Zealand exports and has offered some relief for the agricultural sector in APN markets.

APN REGIONAL NEWSPAPERS are cornerstones of their local communities and continue to provide an invaluable link between their readers and their advertisers. Cost management remains a key focus. Editorial production of individual regional titles was transferred to a single outsourced facility in Auckland, improving quality as well as reducing costs. Equally, marketing and logistics have been centralised to make better use of resources.

The regional newspapers remain well placed to take advantage of any improvements in local economic conditions.





APN ONLINE is a leading operator of internet businesses in New Zealand. Its premier website nzherald.co.nz is the most popular news website in the country and winner of the Qantas Media Awards best news website in 2008. This year marks the tenth anniversary of the launch of this site, which now attracts an average of 730,000 unique browsers and 11.8 million page impressions a week.

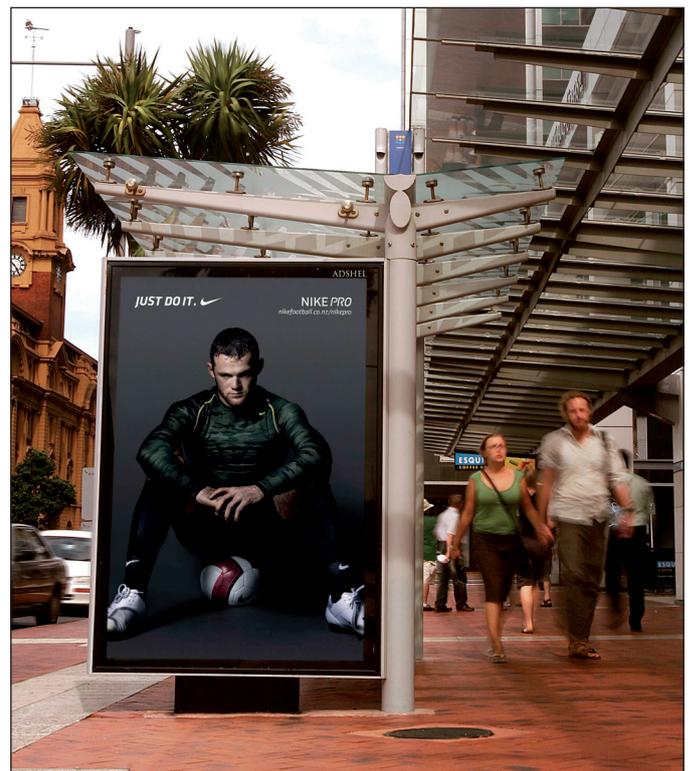
APN Online launched Think Digital Media at the end of 2008, and is the leading online advertising representative business in New Zealand. It represents sites that span key channels including news, business, sport, entertainment, lifestyle, youth and women - enabling it to deliver targeted advertising opportunities across a range of online audiences.

On 5 February 2009, APN announced the sale of its online business directory finda.co.nz to the New Zealand Yellow Pages Group (YPG). APN's community-based strategy for online had developed to the point where the finda New Zealand business was no longer a strategic fit and a profitable sale to YPG was a good outcome for both parties. APN has retained the separate finda brand name for Australia, where it is developing locally targeted community portals.

THE RADIO NETWORK (TRN) broadcasts across more than 120 FM and AM frequencies around the country, reaching 1.5 million listeners each week. TRN, despite having a difficult year, remains the market leader in New Zealand radio, growing its total market leadership to a record 10+ audience share of 47.3% across the country. NewstalkZB is the number one national network, with a 12.9% audience share and it is now the top station in the three major metropolitan cities of Auckland, Wellington and Christchurch. In Auckland, TRN finished the year with four of the top five stations in the city.

APN OUTDOOR is the largest Outdoor operator in New Zealand, with market leading positions in all of the major Outdoor categories. With significant presence in every major metropolitan centre, APN Outdoor offers its clients unparalleled reach across the country. Trading was challenging throughout 2008, with a particularly challenging fourth quarter.

During the year, APN acquired the operations of Media 1, the third largest billboard company in New Zealand. The acquisition added 130 premium sites to APN's existing national portfolio of 500 billboard sites, covering all major markets. The Adshel street furniture business continued to expand its inventory base. With the largest street furniture coverage in the country, 63% of New Zealanders live in Adshel areas.





ASIA

APN News & Media is a leading Outdoor advertising operator in Asia, with market leading businesses in Hong Kong, Indonesia and Malaysia.

APN's Asian markets boast some of the most vibrant cities in the world, with large volumes of vehicle and pedestrian traffic. A rapidly fragmenting media sector means Outdoor is the only true mass medium in those markets capable of reaching large numbers of people with a strong advertising message.

In Hong Kong, APN is the leading transit advertising business, where Buspak manages transit media for more than 5,700 buses under the operation of Citybus, Kowloon Motor Bus, New World First Bus and Long Win Bus. That amounts to about 500 bus routes stretching across Hong Kong Island, Kowloon and the New Territories. The fleet of double-decker buses are landmarks in the territory, many featuring whole vehicle 'wraps' that effectively make them supersite billboards on wheels. Innovations such as free wi-fi internet access on selected buses, as well as backlit panels on bus sides, were introduced in 2008 and received enthusiastic support from advertisers and passengers. Buspak was appointed the Beijing 2008 Olympic Games



Equestrian Events Official Transit Advertising Agent. With Hong Kong a major gateway to mainland China, the Outdoor operation did experience some revenue improvement due to the Olympic effect.

APN also operates premium billboards in Hong Kong under the Cody brand. Established in 2000, the Cody network covers both tunnels and downtown areas in Hong Kong.

Trading in the Hong Kong market did ease off towards the end of the year as the impact of the global financial crisis spread into Asia. A strong focus on costs contributed to a good result as the market became more challenging.

APN is the leading operator of premium billboards in both Malaysia and Indonesia. The south Asian economies performed relatively better than their northern neighbours and good sales were achieved and prominent sites continued to attract good support from brand advertisers.

In Malaysia, the Kurnia Outdoor business has established itself as the premium billboard specialists, with a suite of high-visibility sites across Kuala Lumpur and other major centres. Advances in digital printing and display technologies have enabled Kurnia to tap into the significant brand advertising budgets for luxury goods, entertainment and cosmetics, which have become a feature of brand marketing in busy Asian cities.

In Indonesia, Rainbow Outdoor Advertising is also the premium billboard operator, with high profile positions around Jakarta and other metropolitan markets. A stable economic climate has enabled Rainbow to establish long-term commercial relationships with major multinational brand advertisers, which have been reflected in good revenue growth in recent years. While trading was challenging in the last quarter of 2008, significant restructuring to the business will enable us to take full advantage of any improvement in economic conditions.

CORPORATE SOCIAL RESPONSIBILITY

APN News & Media is an active participant in all its many communities, through its Publishing, Radio, Outdoor advertising and Online operations. Corporate Social Responsibility (CSR) is a new term for the local community involvement that has long been a hallmark of all of APN's operations.

APN's divisions do more than merely participate in local philanthropy – they often become the central coordinating force behind charities and important social issues.

The participation in CSR runs the full spectrum, from supporting local sporting competitions at the grass roots level through to coordinating charity appeals that raise millions of dollars in donations.

Total APN CSR support in terms of advertising space contributed, funds directly donated as well as solicited through readers and listeners in the past year exceeded \$16 million. This value excludes the advertising equivalence of the many editorial articles that have promoted individual charities and their important work in their communities.

APN has a reputation of being extremely locally focused in its operations and will continue supporting local organisations that, through their tireless efforts, deliver extraordinary benefits to the people in our markets.

EDUCATION

- Newspapers in Education (NiE) programmes. Newspapers across Australia and New Zealand provide complimentary editions to local schools to assist with literacy programmes as well as social awareness and general knowledge. NiE pages also link in with school curricula.
- Awareness raising. Newspapers, magazines and radio undertake a public education and information role through special features and promotions on public health issues, such as breast cancer, Parkinson's disease, autism and childhood cancers.
- The New Zealand Herald publishes secondary school students' work in The College Herald to encourage interaction with and understanding of journalism print media.
- Regional publications in New Zealand work actively with schools to host students in a combination of media studies.
- In a bid to address growing rates of childhood obesity, The Radio Network supports the WeetBix Triathlon for 7-14 year olds, the largest sporting event for children in the world, with more than 20,000 children entering nationwide.
- Radio and newspaper support across Australia and New Zealand for breast cancer awareness month, Camp Quality and Variety Club.
- The New Zealand Listener sponsors the New Zealand National Spelling Bee.

HUMANITARIAN

- The annual Adopt a Family for Christmas appeal conducted by APN Australian Publishing is now in its 15th year. In 2008, the appeal supported more than 2,600 families, raising aid with an estimated value of more than \$900,000. Since its inception, the annual campaign has helped more than 18,000 families, attracting more than \$5 million in donations.
- The New Zealand Herald's 'Our Lost Children' series raised nearly \$70,000 towards helping the country's abused children.
- Following the tragic bushfires that devastated Victoria early in 2009, all of APN's operations ran complimentary advertisements for the Red Cross appeal for survivors.
- APN Outdoor provided more than \$6.7 million in complimentary media for a range of charitable organisations and public health bodies across Australia and New Zealand, including Beyond Blue, the Salvation Army Red Shield Appeal, Amnesty International and the Cancer Council.
- The Radio Network's (TRN) New Zealand Cure Kids \$10 Queenstown Challenge raised \$500,000 to fund child health medical research.
- TRN's 'Shave Your Lid for a Kid' campaign helped raise \$500,000 for the Child Cancer Foundation.

COMMUNITY

- Public Service Announcements – ARN and TRN provide free community announcements for scores of local and national charity groups. The annual value is in excess of \$8 million. Charities include Red Cross, Bone Marrow Donor Institute, Child Flight, Cancer Council, Mothers Day Classic, Fred Hollows Foundation, World Wildlife Fund, Seeing Eye Dogs, Autism New Zealand, Muscular Dystrophy New Zealand, The Hearing House New Zealand, Heart Kids New Zealand and UNICEF.
- The New Zealand Herald launched ‘Unsung Heroes’ to recognize and reward people within the community for good deeds. P&O Cruises sponsored five cruise prizes.
- TRN celebrates community diversity through support of Race Relations Day and how special and important our children are by supporting New Zealand’s Children’s Day.
- The Adshel street furniture businesses contributed advertising space worth more than \$1.1 million to the Not For Profit sector.
- APN’s newspapers and magazines provide complimentary advertisements for a large number of local charities, including Leukemia & Blood Foundation, Heart Children Foundation, Salvation Army, Victoria Bush Fires, Cure Kids, Kids in Cars, Air New Zealand Kids Charity.
- APN Online’s portfolio of market leading websites provide millions of complimentary page impressions for a number of community and charity groups, including IHC, Cure Kids, Fred Hollows Foundation, Child Cancer Foundation, Blood Foundation, UNICEF, Auckland City Mission, Cancer Society, Deaf Foundation, KidsCan, ChildFund, Life Education Trust, Australian Cancer Council, Australian Conservation Foundation and OxFam.
- Regional publications work closely with local organisations to promote sustainable growth and improvements to their communities. Just one example is the Clean Up Our City graffiti campaign run by the Northern Advocate in Whangarei, which was recognised with a number of national and international awards.

CULTURE

- APN News & Media sponsors the Australian Chamber Orchestra as well as the Auckland Philharmonia and TRN sponsors the New Zealand Symphony Orchestra and the Royal New Zealand Ballet.
- The New Zealand Listener sponsors the Auckland Writers and

Readers Festival, Documentary NZ, Royal Society and New Zealand Book Design Awards.

CONSERVATION

- Adshel is sponsoring the planting of 10,000 trees in the Daintree rainforest.
- Newspapers participate in recycling programmes as well as promote ‘green’ activities through our publications.
- TRN participated in the New Zealand launch of Earth Hour in Christchurch.

APN PEOPLE

Our people are key to APN’s success in the many markets in which we operate. Our ability to provide stimulating, informative and innovative content to our readers and listeners and our capacity to provide our customers with informed and profitable solutions to their advertising needs is driven by the quality of our people and the way in which we provide performance and growth opportunities for them. This has never been more important than during these current challenging times.

A principal focus during 2008 has been on cost management and staff costs have been a prime theme. Critical attention to headcount and work practices has enabled us to reduce staffing levels and improve productivity in all divisions. We are continuing these actions in 2009 and supplementing them with an across the board freeze on executive salaries and wage pauses for other staff as we work to enhance efficiencies.

During 2008 our activities have also centred on:

- developing more flexible working arrangements within our collective agreements and with staff to enable improved and more efficient levels of customer service;
- a stronger line of sight between pay and performance and employee development through better performance management practices;
- improved change execution capabilities to ensure best practice solutions are delivered effectively; and
- improved visibility and transparency around our people management programmes, enabling greater alignment and effectiveness.

We have committed and loyal employees who take pride in the work they do for our customers and in their communities. With a commitment starting at the group executive committee level, our focus is on creating people leadership programs that create and sustain a high performing organisation.

TEN YEAR FINANCIAL HISTORY

	2008 \$'m A-IFRS	2007 \$'m A-IFRS	2006 \$'m A-IFRS	2005 \$'m A-IFRS	2004 \$'m A-IFRS	2003 \$'m A-GAAP	2002 \$'m A-GAAP	2001 \$'m A-GAAP	2000 \$'m A-GAAP	1999 \$'m A-GAAP
INCOME STATEMENT										
Revenue ²	1,258	1,346	1,340	1,364	1,274	1,167	1,072	599	615	521
EBITDA ³	320	352	341	349	322	292	256	136	148	127
EBIT ⁴	279	324	307	309	283	238	202	116	127	109
Net profit ⁵	140	169	157	150	130	104	90	48	51	42
BALANCE SHEET										
Equity excluding minority interest	816	1,032	930	1,005	1,010	1,286	1,205	957	388	369
Total assets	2,323	2,581	2,458	2,541	2,584	2,748	2,754	2,485	1,063	1,018
Total bank borrowings	968	941	749	673	646	735	807	776	282	275
STATISTICAL ANALYSIS										
EBITDA/total revenue	25.4%	26.2%	26.0%	25.6%	25.3%	25.0%	23.9%	22.7%	24.1%	24.5%
Bank borrowings/EBITDA	3.0	2.7	2.2	1.9	2.0	2.5	3.2	5.7	1.9	2.2
Earnings per share – basic (cents)	(4.9)	34.5	34.3	31.1	27.1	22.9	20.8	18.0	19.7	16.8
– diluted (cents) ⁶	(4.9)	34.0	32.9	30.3	26.2	22.9	20.7	17.8	19.3	16.4
Dividend per share (cents) ⁶	22.5	31.5	29.7	24.2	22.0	18.3	16.0	14.6	14.2	12.2
Dividend payout ratio ⁸	79%	92%	92% ⁷	77%	81%	82%	78%	111% ⁹	73%	73%
Interest cover based on EBITDA (times)	1.68	5.56	5.41	5.37	5.15	4.37	3.85	9.29	9.86	9.47
No. of shares on issue ('000)	490,413	489,124	460,287	477,705	482,491	472,821	438,406	429,963	252,011	245,975
No. of shareholders	11,593	12,734	14,733	15,582	16,500	15,249	13,839	12,934	10,296	9,651
Market capitalisation (\$'m)	1,216	2,578	2,785	2,293	2,485	1,891	1,337	1,479	1,119	824
Market price per share at 31 December	\$2.48	\$5.27	\$6.05	\$4.80	\$5.15	\$4.00	\$3.05	\$3.44	\$4.44	\$3.35

1. Adjusted for restatement to Outdoor site costs

2. Including other income and finance income

3. Profit before exceptional items, interest, tax, depreciation and amortisation

4. Profit before exceptional items, interest and tax NPAT before exceptional items

5. NPAT before exceptional items

6. Earnings per share and dividends per share have been restated for prior years for the bonus element of the pro-rata entitlement offer in 2001

7. Includes 2006 final dividend paid 18 June 2007

8. Pre exceptional items

9. Final dividend paid on additional capital raised to fund acquisition of the Wilson & Horton Group

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Your Directors present their review on the consolidated entity consisting of APN News & Media Limited (Company) and the entities it controlled at the end of, or during, the year ended 31 December 2008.

1. DIRECTORS

The following persons were Directors of APN News & Media Limited during the whole year and up to the date of this report 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
 Vincent Connor Crowley (appointed 5 March 2009)
 Liam Padraig Healy
 Kevin John Luscombe
 John Hendrik Maasland
 Anthony Cameron O'Reilly
 James Joseph Parkinson (retired 6 May 2008)
 Wilson James Whineray (retired 6 May 2008)

2. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

3. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 20 March 2009 the Company received advice from the New Zealand Inland Revenue Department (NZIRD) that it had decided to discontinue the dispute in relation to the Masthead Licensing Agreement (MLA).

The decision confirms the taxation and accounting treatment adopted by the Company in relation to the MLA and means that no additional tax is payable. The decision is final and binding on the NZIRD.

Except as noted above, since the end of the financial year, the Directors are not aware of any matter or circumstance not

otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

4. REMUNERATION SUMMARY

This Remuneration Summary is extracted from the complete Remuneration Report as included in the 2008 Annual Report.

Directors

The Directors of APN News & Media Limited during the financial year are listed in section 1 of the Directors' Review.

Company and Group executives (other than Directors) of APN News & Media Limited

The Group's executive team was restructured during the period and the following Relevant Executives, together with Brendan Hopkins and the other Directors, were the key management personnel having authority and responsibility for planning, directing and controlling the activities of the parent entity and consolidated entity during the financial year for the periods shown:

Name (Relevant period)	Position	Employer
Peter Myers	Chief Financial Officer	APN News & Media Limited
Martin Simons	Group Publishing Chief Executive*	APN New Zealand Limited
Mark Jamieson (to 30 June 08)	CEO Australian Publishing	APN Newspapers Pty Ltd
Bob Longwell (30 June 08)	CEO Australian Radio	Australian Radio (to Network Pty Limited)
Richard Herring	Group Radio & Outdoor Chief Executive*	APN Outdoor Pty Limited
Warren Lee	CEO APN Online	APN News & Media Limited
Rob Lourey (from 1 July 08)	Group Human Resources Director	APN News & Media Limited

* Appointed to this position as a result of the executive team restructure noted above

Remuneration of Directors and executives

Principles used to determine nature and amount of remuneration

The Remuneration Committee advises the Board on remuneration policy and principles generally, and makes recommendations on remuneration packages and other terms of employment annually.

To ensure that the Company is able to attract and retain executives capable of managing the consolidated entity's operations and achieve its performance goals, remuneration packages of executives are structured to:

- create value for shareholders;
- be competitive in the market;
- align executive reward with company performance; and
- reward the achievement of strategic objectives.

The Company's executive reward framework conforms with market best practice for delivery of reward.

In consultation with external reward consultants, the Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. The external reward consultants have advised that the remuneration arrangements for the Chief Executive and the other Relevant Executives are:

- competitive against an appropriate peer group as determined by the external reward consultants; and
- appropriately balanced between base reward, short-term incentive (STI) and long-term incentive (LTI).

The Company's reward framework achieves alignment to shareholders' interests by:

- having profit as a core component of STI;
- focusing on sustained growth in earnings by using earnings per share as a key driver of LTI; and
- being designed to attract and retain high calibre executives.

The framework provides a mix of fixed and variable pay, and a blend of STIs and LTIs. In respect of Relevant Executives with division specific responsibilities, STIs will generally be based on divisional performance whilst LTIs are based on overall Group performance. This aligns the overall Group objectives of creating shareholder value with the fact that the responsibilities of certain executives are limited to individual divisions.

As executives gain seniority within the Group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

Non-executive Directors

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Remuneration Committee has responsibility for reviewing and recommending the level of remuneration for non-executive Directors in relation to Board and Committee duties, within the overall maximum amount approved by shareholders. This amount is currently a total of \$750,000 per annum.

Non-executive Directors may receive retirement benefits in accordance with the Company's Constitution and the *Corporations Act 2001*.

Executive pay

The executive pay and reward framework includes:

- fixed remuneration
- other remuneration-related costs
- retirement benefits
- short-term incentives
- long-term incentives

Other remuneration related costs

The Company incurs other remuneration related costs in respect of certain executives which are not regarded as part of the executive's fixed remuneration. Typically, such payments are ancillary to the executive's employment such as rental assistance or family travel in circumstances where the Company requires the executive to relocate. The other employment cost includes fringe benefit tax if applicable.

Short-term incentives

STIs are earned through cash bonuses to certain executives subject to achieving certain performance goals. STIs in respect of any year are paid early in the next financial year following the finalisation of the audited results.

In determining the amount of the STIs to be paid, the Remuneration Committee has regard to achievement of budgeted profitability targets (either Group or divisional as appropriate) and achievement of individual business objectives. If budgeted targets are achieved, 50% of the maximum STI is payable (unless otherwise detailed in the individual contracts disclosed in this report). The balance of the STI is payable depending on the extent to which the budget is exceeded. The maximum STI is payable if budgets are exceeded by 10% other than as detailed in the individual contracts disclosed in this report. In certain exceptional circumstances, the Remuneration

Committee may take account of other factors impacting on the year's results as well as the extent to which other business objectives have been achieved.

Long-term incentives

The Company has provided LTIs to executives through participation in the Executive and Director Option Plan (EDOP). The terms of options granted to the Chief Executive in 2003, 2004 and 2006 were approved by shareholders prior to being issued. Options issued in 2003, 2004 and 2006 to Relevant Executives were issued on the same terms as the Chief Executive. The terms of options granted to Relevant Executives (excluding the Chief Executive) in 2008 were issued on terms approved by the Board. There were no options issued in 2005 or 2007. Eligibility for participation in the EDOP is at the discretion of the Board.

Options granted under the EDOP:

- are granted for no consideration and carry no dividends or voting rights;
- are generally exercisable between three and five years from the date of grant at the exercise price, subject to the satisfaction of performance hurdles;
- are convertible into one ordinary share per option;
- have an exercise price equal to the weighted average market price of the Company's shares sold on the ASX during the week immediately prior to and including the grant date;
- require the exercise price to be paid at the time of exercise of the options;
- cannot be transferred, encumbered or otherwise disposed of without the prior consent of the Board; and

- normally lapse if the optionholder ceases to be an employee of the Company or any of its subsidiaries, and in the case of a Director, ceases to hold office, otherwise than by death, permanent incapacity, redundancy or retirement. In these events, options are normally exercisable within 12 months of the occurrence of the event.

In addition to their standard terms, all of the current options of the Company have performance criteria that must be satisfied before an option or tranche of options may be exercised. The performance hurdles for an option or tranche of options involve a comparison of the Company's earnings per share performance over a period of time with a specified rate of growth.

The maximum number of ordinary shares in respect of which options may be granted under the plan may not exceed 10% of the total issued share capital of the Company from time to time without shareholder approval.

During the financial year the Board amended its Securities Trading Policy and Guidelines to give effect to its policy that holders of options held pursuant to the EDOP are not permitted to hedge their options prior to such options becoming vested. The Securities Trading Policy and Guidelines states that strict compliance with this Securities and Trading Policy and Guidelines is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

Further details regarding performance hurdles in relation to the options issued under the EDOP are included in the 2008 Annual Report.

Details of remuneration

Details of short-term and post-employment benefits paid to each Director of APN News & Media Limited and each of the Relevant Executives (including the five receiving the highest emoluments) of the consolidated entity are set out in the following tables:

Directors of APN News & Media Limited

		Cash salary <i>Short-term</i>	Other fixed remuneration <i>Short-term</i>	Superannuation <i>Post-employment</i>	Bonus <i>Short-term</i>	Other remuneration related costs <i>Short-term</i>	Total excluding options
		\$	\$	\$	\$	\$	\$
Chief Executive and Director of APN News & Media Limited							
BMA Hopkins	2008	1,726,575	147,713	406,756	-	350,765	2,631,809
	2007	1,671,500	143,917	387,387	825,000	280,628	3,308,432
Non-executive Directors of APN News & Media Limited							
AE Harris	2008	150,000	-	-	-	-	150,000
	2007	150,000	-	-	-	-	150,000
WJ Whineray	2008	41,967	-	319,068*	-	-	361,035
	2007	120,000	-	-	-	-	120,000
S Atkinson	2008	68,807	-	6,193	-	-	75,000
	2007	68,807	-	6,193	-	-	75,000
PP Cody	2008	64,220	-	5,780	-	-	70,000
	2007	64,220	-	5,780	-	-	70,000
PM Cosgrove	2008	65,926	-	5,572	-	-	71,498
	2007	66,045	-	5,577	-	-	71,622
KJ Luscombe	2008	85,000	-	-	-	-	85,000
	2007	85,000	-	-	-	-	85,000
JH Maasland	2008	82,569	-	7,431	-	-	90,000
	2007	82,569	-	7,431	-	-	90,000
AC O'Reilly	2008	64,220	-	5,780	-	-	70,000
	2007	64,220	-	5,780	-	-	70,000
Total 2008		2,349,284	147,713	756,580	-	350,765	3,604,342
<i>Total 2007</i>		<i>2,372,361</i>	<i>143,917</i>	<i>418,148</i>	<i>825,000</i>	<i>280,628</i>	<i>4,040,054</i>

* Includes benefit paid out on retirement of office in accordance with the Corporations Act 2001.

Directors not specified in above table received no remuneration.

Consistent with previous years, certain Directors affiliated with Independent News and Media PLC do not receive Directors' fees from the Company.

The Company pays fees to Independent News & Media PLC including reimbursements for services provided including travel and ancillary expenses, provision of unlimited live editorial copy, and advisory services on a range of matters including global media and advertising trends and product development (refer note 10).

Amortised cost to the Company of options issued to Directors, as required by AASB 124 Related Party Disclosures

BMA Hopkins: -\$300,361 (2007: \$282,133).

Total cost to Company after inclusion of the amortised cost of options

BMA Hopkins \$2,331,447 (2007: \$3,590,565), AE Harris \$150,000 (2007: \$150,000), WJ Whineray \$361,035 (2007: \$120,000), S Atkinson \$75,000 (2007: \$75,000), PP Cody \$70,000 (2007: \$70,000), PM Cosgrove \$71,498 (2007: \$71,622), KJ Luscombe \$85,000 (2007: \$85,000), JH Maasland \$90,000 (2007: \$90,000) and AC O'Reilly \$70,000 (2007: \$70,000).

Total cost to Company in 2008 for all Directors was \$3,303,981 (2007: \$4,322,187).

Relevant Executives

		Cash salary <i>Short-term</i> \$	Other fixed remuneration <i>Short-term</i> \$	Superannuation <i>Post-employment</i> \$	Bonus <i>Short-term</i> \$	Other remuneration related costs <i>Short-term</i> \$	Total excluding options \$
Peter Myers	2008	664,002	-	42,385	-	953	707,340
	2007	640,115	-	42,385	400,000	4,495	1,086,995
Martin Simons	2008	702,985	41,688	69,158	-	50,040	863,871
	2007	665,566	40,892	66,522	100,000	31,642	904,622
Mark Jamieson	2008	211,287	18,412	22,970	-	-	252,669*
	2007	420,000	26,250	42,000	200,000	-	688,250
Bob Longwell	2008	208,632	58,668	-	-	28,829	296,129*
	2007	390,675	115,225	-	-	56,805	562,705
Richard Herring	2008	474,771	-	42,729	-	35,459	552,959
	2007	458,714	-	41,286	280,000	23,652	803,652
Warren Lee	2008	530,249	-	14,110	-	8,222	552,581
	2007	512,000	-	13,000	250,000	10,500	785,500
Rob Lourey	2008	150,000	-	50,000	-	-	200,000
	2007	-	-	-	-	-	-
Total 2008		2,941,926	118,768	241,352	-	123,503	3,425,549
Total 2007		3,087,070	182,367	205,193	1,230,000	127,094	4,831,724

* Six months to 30 June 2008 pursuant to executive team restructure as previously described.

In addition to no short-term incentive payments for 2008, the Chief Executive and all Relevant Executives will receive no salary increases in 2009.

Amortised cost to the Company of options issued to Relevant Executives, as required by AASB 124 *Related Party Disclosures*

P Myers -\$100,120 (2007: \$80,456), M Simons -\$80,096 (2007: \$64,364), M Jamieson -\$12,014 (2007: \$18,129), B Longwell -\$50,060 (2007: \$40,228), R Herring -\$80,096 (2007: \$64,364) and W Lee -\$72,087 (2007: \$48,058).

Total cost to Company after inclusion of the amortised cost of options

P Myers \$607,220 (2007: \$1,167,451), M Simons \$783,775 (2007: \$968,986), M Jamieson \$240,655 (2007: \$706,379), B Longwell \$246,069 (2007: \$602,933), R Herring \$472,863 (2007: \$868,016), W Lee \$480,494 (2007: \$833,558) and R Lourey \$200,000 (2007: Nil).

Total cost to Company in 2008 for all Relevant Executives other than the Chief Executive \$3,031,076 (2007: \$5,147,323).

Equity holdings

Year ended 31 December 2008	Shares		Options	
	Balance at start of year	Balance at end of year	Balance at start of year	Balance at end of year
Directors of APN News & Media Limited				
JJ Parkinson	100,000	-	-	-
AE Harris	550,956 ¹	580,956¹	-	-
WJ Whineray	-	-	-	-
BMA Hopkins	1,123,330	1,023,330	2,500,000	2,500,000
S Atkinson	13,022	13,022	-	-
DJ Buggy	-	-	-	-
PP Cody	105,024	105,024	-	-
PM Cosgrove	100,000	100,000	-	-
LP Healy	581,112	581,112	-	-
KJ Luscombe	55,876	55,876	-	-
JH Maasland	-	-	-	-
AC O'Reilly	1,000,000	1,000,000	-	-
GK O'Reilly	20,000	20,000	-	-
Total Directors	3,649,320	3,479,320	2,500,000	2,500,000
Relevant Executives				
P Myers	260,000	210,000	800,000	1,200,000
M Simons	-	55,000	695,000	1,040,000
M Jamieson	619	270	100,000	500,000
B Longwell	-	-	250,000	450,000
R Herring	60,000	20,000	640,000	1,040,000
W Lee	-	-	400,000	800,000
R Lourey	-	-	-	200,000
Total Relevant Executives	320,619	285,270	2,885,000	5,230,000

¹ In addition, Mr AE Harris is a Director of a trustee company which holds 335,898 shares for the benefit of other parties.

In relation to any holdings of related parties (as defined in AASB 124 Related Party Disclosures), the Directors and Relevant Executives have no control or influence over the financial affairs of the related parties to substantiate their holdings.

Loans to Directors and Relevant Executives

There are no loans made to Directors of the Company or Relevant Executives.

Other transactions with Directors and Relevant Executives

Details of other transactions with Directors and Relevant Executives are provided in note 10 to the financial statements.

5. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The parent entity's Constitution provides for an indemnity for Directors against any liability incurred by a Director in their capacity as an officer. Under the Corporations Act 2001, this indemnity does not extend to a liability to the parent entity or a related body corporate of the parent entity, a liability for a pecuniary penalty or compensation order under certain provisions of the Corporations Act 2001 or a liability that is owed to someone other than the parent entity or a related body corporate of the parent entity which did not arise out of conduct in good faith.

6. INSURANCE OF DIRECTORS AND OFFICERS

The parent entity has paid for an insurance policy for the benefit of all persons who are or have been Directors or officers of the parent entity or the consolidated entity against liabilities incurred during the financial year. The insured persons include current and former Directors, officers and company secretaries of the parent entity and the consolidated entity. The insurance policy specifically prohibits the disclosure of the nature of the liability covered and the premium paid.

7. ENVIRONMENTAL REGULATION

The Directors recognise the importance of environmental and occupational health and safety issues. The Directors are committed to compliance with all relevant laws and regulations to ensure the protection of the environment, the community and the health and safety of employees. The operations of the consolidated entity are not subject to any particular and significant environmental regulation under the law of the Commonwealth of Australia or any of its states or territories, or New Zealand.



G K O'Reilly
Director



BMA Hopkins
Director

Sydney
24 March 2009

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2008

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Note	2008 \$'000	2007 \$'000
Revenue before finance income	1	1,226,389	1,314,573
Other income (including exceptional items)	1	28,616	25,666
Expenses before finance costs (including impairment and other exceptional items)		(1,175,126)	(1,031,979)
Finance income		3,300	5,982
Finance costs		(78,833)	(69,341)
Net finance costs		(75,533)	(63,359)
Share of profits of associates		6,484	6,829
Profit before income tax expense		10,830	251,730
Income tax expense		(5,008)	(45,723)
Profit from continuing operations		5,822	206,007
Net profit attributable to minority interest		(29,794)	(38,571)
Net (loss)/profit attributable to members of the parent entity		(23,972)	167,436
		cents	cents
Basic earnings per share		(4.9)	34.5
Diluted earnings per share		(4.9)	34.0

CONSOLIDATED BALANCE SHEET as at 31 December 2008

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	Note	2008 \$'000	2007 \$'000
Current assets			
Cash and cash equivalents		58,721	88,814
Receivables		195,980	246,380
Inventories		20,476	21,988
Tax assets		906	5,628
Other		31,964	29,998
Total current assets		308,047	392,808
Non-current assets			
Receivables		4,895	9,289
Other financial assets		22,628	37,334
Investments accounted for using the equity method		35,384	29,155
Property, plant and equipment		290,909	298,863
Intangible assets	4	1,661,603	1,813,369
Total non-current assets		2,015,419	2,188,010
Total assets		2,323,466	2,580,818
Current liabilities			
Payables		150,298	178,296
Derivative financial instruments		5,770	2,093
Interest bearing liabilities	5	155,620	94,768
Current tax provisions		6,480	18,941
Provisions		20,639	7,530
Total current liabilities		338,807	301,628
Non-current liabilities			
Payables		4,528	5,162
Interest bearing liabilities	5	807,567	840,905
Deferred tax liabilities		121,586	156,001
Provisions		1,586	1,352
Total non-current liabilities		935,267	1,003,420
Total liabilities		1,274,074	1,305,048
Net assets		1,049,392	1,275,770
Equity			
Contributed equity	6	920,802	916,572
Reserves		(28,268)	13,467
(Accumulated losses)/retained profits		(76,375)	101,772
Total parent entity interest		816,159	1,031,811
Minority interest		233,233	243,959
Total equity		1,049,392	1,275,770

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2008

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	2008 \$'000	2007 \$'000
Cash flows from operating activities		
Receipts from customers	1,418,808	1,448,208
Payments to suppliers and employees	(1,134,913)	(1,156,436)
Dividends received	1,081	1,277
Interest received	3,300	5,982
Interest paid	(83,655)	(71,769)
Income taxes paid	(30,679)	(15,935)
Net cash inflows from operating activities	173,942	211,327
Cash flows from investing activities		
Payments for purchase of controlled entities	(5,871)	-
Payments for investments	(456)	(13,618)
Payments for property, plant and equipment	(62,761)	(65,596)
Proceeds from sale of property, plant and equipment	20,908	29,766
Payments for software	(4,637)	(2,336)
Payments for goodwill	(3,651)	(87,182)
Payments for other intangible assets	(3,752)	(9,019)
Other	-	2,439
Net cash outflows from investing activities	(60,220)	(145,546)
Cash flows from financing activities		
Loans repaid by/(advanced to):		
Other entities	1,377	1,162
Director-related entities	(559)	711
Associates	(2,656)	(5,571)
Proceeds from issues of shares	1,832	11,327
Share buy-back	-	(58,500)
Proceeds from borrowings	295,059	506,299
Repayments of borrowings	(250,348)	(311,506)
Payments for borrowing costs	(1,511)	(140)
Principal repayments under finance leases	(103)	(83)
Dividends paid to shareholders	(151,777)	(152,223)
Net payments to minority interest	(36,405)	(37,195)
Net cash outflows from financing activities	(145,091)	(45,719)
Change in cash and cash equivalents	(31,369)	20,062
Cash and cash equivalents at beginning of the year	88,814	70,681
Effect of exchange rate changes	1,276	(1,929)
Cash and cash equivalents at end of the year	58,721	88,814

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	2008 \$'000	2007 \$'000
1. REVENUE AND OTHER INCOME (including exceptional items)		
Advertising revenue	1,192,354	1,268,650
Revenue from sale of goods	34,035	45,923
Revenue before finance income	1,226,389	1,314,573
Dividends received - other entities	1,081	1,277
Net gain on disposal of property, plant and equipment	1,787	1,398
Exceptional gains (refer note 2)	10,772	14,502
Rent received - other entities	1,128	1,019
Bad debts recovered	144	229
Gains on financial instruments	13,215	6,770
Other	489	471
Other income	28,616	25,666
Interest received – associates	969	1,028
Interest received – other entities	2,331	4,954
Finance income	3,300	5,982
Revenue and other income	1,258,305	1,346,221

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	2008 \$'000	2007 \$'000
2. IMPAIRMENT AND OTHER EXCEPTIONAL ITEMS		
Corporate & other		
- gain on disposal of investments and properties	3,623	13,397
- profit on sale of business	-	1,105
- fair value adjustments on acquisition of associate	7,149	-
- restructuring and redundancies	(19,625)	(2,607)
- project planning and implementation	(11,765)	(11,246)
- scheme costs and other	(744)	(2,734)
- impairment - investments	(7,797)	-
Online		
- establishment and restructuring costs	(6,428)	(6,444)
- restructuring and redundancies	(1,800)	-
Publishing		
- onerous contract	(9,498)	-
- impairment – intangible assets	(127,095)	-
- impairment – property, plant and equipment	(18,201)	-
Net impairment and other exceptional items (pre tax)	(192,181)	(8,529)
Minority interest	326	(1,727)
Income tax credit	27,782	8,285
Net impairment and other exceptional items (post tax)	(164,073)	(1,971)

The group has now substantially completed its three year restructuring programme which has included:

- significant upgrading of Australian printing operations
- centralisation of advertising services and customer service centres
- centralisation of administrative support
- modernisation of both equipment and work practices in NZ Heatset plants
- reorganisation of work practices across all divisions.

This programme has involved considerable investment over the past three years and has led to a reduction in headcount of 600 as well as other ongoing savings.

Restructuring and redundancy costs relate to the 600 headcount reduction noted above and include redundancy payments, payments in lieu of notice together with salary costs of redundant roles from the date that the redundancy programme is initiated.

Project planning and implementation comprises other costs related to our restructuring programme including costs of duplicated roles during process transition, write down of replaced equipment and project management.

Online establishment and restructuring costs includes costs of developing new product offerings as well as the cost of now discontinued strategies.

3. INCOME TAX

On 20 March 2009 the Company received advice from the New Zealand Inland Revenue Department (NZIRD) that it had decided to discontinue the dispute in relation to the Masthead Licensing Agreement (MLA).

The decision confirms the taxation and accounting treatment adopted by the Company in relation to the MLA and means that no additional tax is payable. The decision is final and binding on the NZIRD.

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	2008 \$'000	2007 \$'000
4. INTANGIBLE ASSETS		
Goodwill		
At cost	317,625	298,188
Impairment	(102,013)	-
	215,612	298,188
Software		
At cost	22,612	18,523
Accumulated amortisation	(15,129)	(12,672)
	7,483	5,851
Mastheads		
At cost	1,054,189	1,097,577
Impairment	(25,082)	-
	1,029,107	1,097,577
Radio licences		
At cost	321,078	318,990
Accumulated amortisation	(12,319)	(10,878)
	308,759	308,112
Transit and outdoor advertising systems – at cost	54,713	54,713
Brands – at cost	43,613	46,946
Lease intangibles		
At cost	4,363	3,470
Accumulated amortisation	(2,047)	(1,488)
	2,316	1,982
Total intangible assets	1,661,603	1,813,369

Impairment of cash generating units (CGUs) including goodwill and indefinite life intangible assets

The recoverable amount of each CGU which includes goodwill or indefinite life intangible assets has been reviewed. Where goodwill or other indefinite life intangible assets represent a significant component of the Group total, value in use calculations have been performed.

Where value in use calculations have been used, these calculations have been based on management budgets and forecasts for a five year period, extrapolated at estimated growth rates between 2% and 3% per annum being rates reflecting the long-term average growth rates for the respective CGU. A discount rate of 9.5% post tax (which equates to pre-tax rates of 11% to 13%) has been used.

As a result of the foregoing review, the carrying amount of goodwill and mastheads allocated to the New Zealand National Publishing CGU has been reduced to its recoverable amount through the recognition of an impairment loss. This impairment provision is a result of deterioration in advertising and capital market conditions resulting from a combination of weaker New Zealand macro economic environment and the impact of the global financial crisis. 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 National Publishing assets and the markets in which they operate.

Directors consider that, notwithstanding the impairment provision recognised in respect of the New Zealand National Publishing CGU, the fair value of the Group's intangible assets in aggregate is in excess of carrying value.

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	2008 \$'000	2007 \$'000
5. INTEREST BEARING LIABILITIES		
Current – unsecured		
Bank loans	155,603	94,717
Current - secured		
Lease liabilities	17	51
Total current interest bearing liabilities	155,620	94,768
Non-current		
Bank loans – unsecured	812,157	845,833
Lease liabilities – secured	12	4
	812,169	845,837
Deduct		
Borrowing costs	15,882	18,121
Accumulated amortisation	(11,280)	(13,189)
Net borrowing costs	4,602	4,932
Total non-current interest bearing liabilities	807,567	840,905

Lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

	2008 \$'000	2007 \$'000
6. CONTRIBUTED EQUITY		
Issued and paid up share capital	920,802	916,572

(a) Movements in contributed equity during the financial year

Date	Details	Number of shares	Issue price	\$'000
1 January 2008	Opening balance	489,124,380		916,572
Various	EDOP issues	527,001	(1)	1,832
Various	Dividend Reinvestment Plan	762,017	\$3.15	2,398
31 December 2008	Closing balance	490,413,398		920,802

(1) Issued during the year between \$3.34 and \$3.85 per share

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

(b) Options issued under EDOP

Grant date	Exercise price \$	Balance at start of the year Number	Issued during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance of the year Number
24 May 2003	3.34	387,001	-	(387,001)	-	-
29 April 2004	3.85	3,045,000	-	(140,000)	(20,000)	2,885,000
30 September 2004	4.53	100,000	-	-	-	100,000
2 May 2006	5.02	7,880,000	-	-	(840,000)	7,040,000
2 June 2008	3.96	-	7,930,000	-	(345,000)	7,585,000
		11,412,001	7,930,000	(527,001)	(1,205,000)	17,610,000

In respect of the options issued during 2006, the minimum performance hurdles have not been satisfied as at 31 December 2008 and they are not likely to be achieved during the remaining life of the options. In respect of options issued during 2008, the performance hurdles cannot first be tested until the audited accounts for the 2010 financial year have been finalised.

	2008	2007
	\$'000	\$'000

7. DIVIDENDS

Unfranked final dividend for the year ended 31 December 2007 of 21.0 cents per share, paid on 24 April 2008 (2006: 20.0 cents per share unfranked paid on 18 June 2007) **102,761** 99,777

Unfranked interim dividend for the year ended 31 December 2008 of 10.5 cents per share, paid on 2 October 2008 (2007: 10.5 cents per share unfranked paid on 27 September 2007) **51,414** 52,446

Total dividends **154,175** 152,223

In addition to the above dividends, since the end of the financial year the Directors have declared the payment of an unfranked final dividend of \$58.8 million (12.0 cents per share) to be paid on 23 April 2009 for the year ended 31 December 2008.

Franking credits available for subsequent financial years at the 30% corporate tax rate after allowing for tax payable in respect of the current year's profit and tax refunds due **2,671** 2,170

8. CONTINGENT LIABILITIES

(a) Guarantees

The parent entity and all wholly-owned controlled entities have provided guarantees in respect of banking facilities. As at 31 December 2008 the facilities had been drawn to the extent of \$969,320,466 (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 \$45,000,000 (2007: \$60,000,000).

(b) 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 material costs or damages.

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	2008 \$'000	2007 \$'000
9. SEGMENT INFORMATION		
Primary segments – industry		
The consolidated entity operates predominately in the following industries:		
Publishing of newspapers, magazines, directories, printing and online publishing		
Broadcasting of radio transmissions		
Outdoor – specialist transit and static outdoor advertising		
Segment revenues – continuing revenue from external customers		
Publishing	726,726	788,323
Broadcasting	233,553	256,994
Outdoor	265,107	268,806
Corporate & other	1,003	58
	1,226,389	1,314,181
Revenue from operations closed/sold during the period		
Publishing	-	392
	1,226,389	1,314,573
Segment revenues including operations closed/sold during the period		
Other income	28,616	25,666
Finance income	3,300	5,982
	1,258,305	1,346,221
Segment results (before interest and income tax)		
Publishing	170,915	213,026
Broadcasting	68,902	84,900
Outdoor (including share of profits of associates)	39,492	37,017
Corporate & other	(748)	(10,649)
	278,561	324,294
Result from operations closed/sold during the period		
Publishing	(17)	(676)
	278,544	323,618
Segment result including operations closed/sold during the period		
Impairment and other exceptional items	(192,181)	(8,529)
Profit from continuing operations before interest and tax	86,363	315,089
Net finance costs	(75,533)	(63,359)
Profit before income tax expense	10,830	251,730
Income tax expense	(5,008)	(45,723)
Profit from continuing operations	5,822	206,007

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

	2008 \$'000	2007 \$'000
Segment assets		
Publishing	1,247,242	1,478,471
Broadcasting	546,366	578,496
Outdoor	411,661	400,479
Corporate & other	118,197	123,372
	2,323,466	2,580,818
Segment liabilities		
Publishing	219,703	334,305
Broadcasting	52,181	64,737
Outdoor	161,121	169,822
Corporate & other	841,069	736,184
	1,274,074	1,305,048
Secondary segments – geographic		
Revenue from external customers		
Australia	599,156	621,804
New Zealand	548,681	619,234
Asia	78,552	73,535
	1,226,389	1,314,573
Segment results (before interest and income tax)		
Australia	165,171	170,685
New Zealand	103,205	145,783
Asia	10,185	7,826
	278,561	324,294
Segment result excluding operations closed/sold during the period	278,561	324,294
Result from operations closed/sold during the period		
Australia	-	50
New Zealand	(17)	(726)
	278,544	323,618
Segment result including operations closed/sold during the period	278,544	323,618
Impairment and other exceptional items	(192,181)	(8,529)
Profit from continuing operations before interest and tax	86,363	315,089
Segment assets		
Australia	959,620	1,036,268
New Zealand	1,308,599	1,496,227
Asia	55,247	48,323
	2,323,466	2,580,818

NOTES TO FINANCIAL STATEMENTS

APN NEWS & MEDIA LIMITED AND CONTROLLED ENTITIES

10. RELATED PARTY INFORMATION

Directors and Relevant Executives

The Group's executive team was restructured during the period and the following Relevant Executives, together with Brendan Hopkins and the other Directors, were the key management personnel having authority and responsibility for planning, directing and controlling the activities of the parent entity and consolidated entity during the financial year for the periods shown:

Name	Relevant period	Position	Employer
Peter Myers		Chief Financial Officer	APN News & Media Limited
Martin Simons		Group Publishing Chief Executive*	APN New Zealand Limited
Mark Jamieson	to 30 June 2008	CEO Australian Publishing	APN Newspapers Pty Ltd
Bob Longwell	to 30 June 2008	CEO Australian Radio	Australian Radio Network Pty Limited
Richard Herring		Group Radio and Outdoor Chief Executive*	APN Outdoor Pty Limited
Warren Lee		CEO APN Online	APN News & Media Limited
Rob Lourey	from 1 July 2008	Group Human Resources Director	APN News & Media Limited

* Appointed to this position as a result of the executive team restructure noted above

Total remuneration including the amortised cost of options for Directors and Relevant Executives in aggregate is as follows:

	Short-term	Post-employment	Amortised cost of options	Total including amortised cost of options
2008	\$6,031,959	\$997,932	\$(694,834)	\$6,335,057
2007	\$8,248,436	\$623,341	\$597,732	\$9,469,509

Other disclosures relating to Directors and Relevant Executives are set out in the Remuneration Summary.

Transactions with other related parties

The aggregate amounts recognised in respect of the following types of transactions and each class of related party involved were:

Transaction type	Class of other related party	2008 \$'000	2007 \$'000
Loan interest received	Associates ⁽ⁱ⁾	969	1,028
Dividends paid	Other related parties ⁽ⁱⁱ⁾	60,335	58,420
Independent News & Media fees	Other related party ⁽ⁱⁱⁱ⁾	1,115	1,115
Management fees receivable	Associates ^(iv)	633	799

The above transactions were made on commercial terms and conditions and at market rates except where indicated.

(i) These loans are subject to interest.

(ii) Dividends paid to Independent News & Media (Australia) Limited and News & Media NZ Limited.

(iii) Fees paid to Independent News & Media PLC include reimbursements for services provided including travel and ancillary expenses, provision of unlimited live editorial copy, and advisory services on a range of matters including global media and advertising trends and product development.

(iv) Management fees received/receivable from Associates.

INFORMATION ON SHAREHOLDERS

APN NEWS & MEDIA LIMITED

1. SHARES

(a) Substantial shareholders

The following information is extracted from substantial shareholder notices received by the Company as at 2 March 2009:

Name	Number of shares
Independent News & Media (Australia) Limited	131,541,073
News & Media NZ Limited	60,000,000
Perpetual Limited	71,494,764
Commonwealth Bank of Australia	44,736,900
Maple-Brown Abbott Limited	37,453,140
National Australia Bank Limited	30,974,910
452 Capital Pty Limited	29,521,752

The Company also received a substantial shareholder notice from Baycliffe Limited noting that, through its holding in Independent News & Media PLC (INM), it holds a relevant interest in shares in the Company held by INM.

(b) Top 20 holders of fully paid ordinary shares at 2 March 2009

Name	Number of shares	% of total shares
Independent News & Media (Australia) Limited	131,541,073	26.82%
News & Media NZ Limited	60,000,000	12.23%
J P Morgan Nominees Australia Limited	41,494,111	8.46%
National Nominees Limited	41,028,255	8.37%
RBC Dexia Investor Services Australia Nominees Pty Limited (PIPooled a/c)	37,649,314	7.68%
RBC Dexia Investor Services Australia Nominees Pty Limited	16,021,964	3.27%
Australian Foundation Investment Company Limited	10,479,455	2.14%
Citicorp Nominees Pty Limited	7,983,622	1.63%
Citicorp Nominees Pty Limited (CFS WSLE 452 AUST SHARE a/c)	7,797,185	1.59%
Australian Reward Investment Alliance	7,161,664	1.46%
HSBC Custody Nominees (Australia) Limited	6,235,997	1.27%
RBC Dexia Investor Services Australia Nominees Pty Limited (PIIC a/c)	6,114,580	1.25%
ANZ Nominees Limited (Cash Income a/c)	5,218,936	1.06%
Cogent Nominees Pty Limited	4,851,354	0.99%
UBS Nominees Pty Ltd	4,583,652	0.93%
Citicorp Nominees Pty Limited (CFSIL CWLTH AUST SHS 1 a/c)	4,000,000	0.82%
Argo Investments Limited	3,461,844	0.71%
Citicorp Nominees Pty Limited (CFSIL CWLTH AUST SHS 4 a/c)	2,748,477	0.56%
Citicorp Nominees Pty Limited (CFSIL CFSWS GEAR 452 AU a/c)	2,278,887	0.46%
Citicorp Nominees Pty Limited (CFSIL CFSWS SMALL COMP a/c)	2,187,681	0.45%
Total	402,838,051	82.14%

(c) Analysis of individual ordinary shareholdings as at 2 March 2009

Holding	Number of shareholders	% of total	Number of shares	% of issued capital
1-1,000	2,602	22.74%	1,252,660	0.26%
1,001-5,000	5,720	50.00%	15,601,573	3.18%
5,001-10,000	1,864	16.29%	13,409,126	2.73%
10,001-100,000	1,164	10.17%	25,761,316	5.25%
100,001 and over	91	0.80%	434,388,715	88.58%
Total holdings	11,441	100.00%	490,413,390	100.00%

There were 1,243 holders of less than a marketable parcel.

INFORMATION ON SHAREHOLDERS

APN NEWS & MEDIA LIMITED

(d) Voting rights of shareholders

The voting rights are governed by Paragraphs 54 to 67 of the Constitution. In summary, shareholders are entitled to vote in person or by proxy, representative or attorney at any meeting of shareholders of the company on:

- a show of hands - one vote per shareholder; and
- a poll - one vote per share.

2. OPTIONS

Analysis of individual option holdings as at 2 March 2009

Holding	Number of optionholders	% of total	Number of options	% of total options
1-1,000	-	-	-	-
1,001-5,000	-	-	-	-
5,001-10,000	3	2.73%	30,000	0.17%
10,001-100,000	71	64.54%	3,790,000	21.52%
100,001 and over	36	32.73%	13,790,000	78.31%
Total holdings	110	100.00%	17,610,000	100.00%

3. DIRECTORS' INTERESTS

The relevant interest of each Director in the securities of the parent entity as at 2 March 2009 is:

Director	Number of shares	Number of options
GK O'Reilly	20,000	-
AE Harris	580,956	-
BMA Hopkins	593,779	2,500,000
S Atkinson	13,022	-
DJ Buggy	-	-
PP Cody	105,024	-
PM Cosgrove	100,000	-
VC Crowley	760,404	-
LP Healy	581,112	-
KJ Luscombe	55,876	-
JH Maasland	-	-
AC O'Reilly	1,000,000	-

SHAREHOLDER INFORMATION

APN NEWS & MEDIA LIMITED

STOCK EXCHANGE LISTING

APN News & Media Limited shares are listed on the Australian Securities Exchange and the New Zealand Exchange (code APN).

ENQUIRIES

Shareholders or investors with any enquiries concerning their holdings, shareholder details, dividend information, or administrative matters, should direct their enquiries to the Share Registry. Contact details for the Share Registry appear on the following page.

DIVIDEND PAYMENTS

Dividends to shareholders may be paid direct to any bank, building society or credit union account in Australia. Shareholders who wish to receive dividends by electronic transfer should advise the Share Registry in writing with full account details.

REGISTER YOUR EMAIL ADDRESS

Shareholders can register their email address to receive dividend advices, notification of availability of annual reports and other shareholder communications. To register, shareholders should go to www.linkmarketservices.com.au. Other services available to shareholders at this website include: viewing details of their shareholdings, updating address details, updating bank details and obtaining a variety of registry forms.

TAX FILE NUMBER (TFN)

The Company is obliged to deduct tax from unfranked or partially franked dividend payments to shareholders resident in Australia who have not supplied their TFN to the Share Registry. To avoid this deduction, you should advise the Share Registry in writing of your TFN.

CONSOLIDATION OF HOLDINGS

Shareholders who have multiple issuer-sponsored holdings and wish to consolidate their separate shareholdings into one account should advise the Share Registry in writing.

CHANGE OF NAME OR ADDRESS

Shareholders who are issuer sponsored should notify the Share Registry in writing of any change in either their name or registered address. If a change of name has occurred, it will be necessary to supply a copy of the relevant deed poll or marriage certificate.

Shareholders sponsored by a broker (broker sponsored) should advise their broker in writing of the amended details.

DIVIDEND REINVESTMENT PLAN (DRP)

Shareholders may elect to participate in the DRP for all or part of their shareholding. Shareholders wishing to participate in the DRP should contact the Share Registry. Terms and conditions of the DRP and forms to apply for, vary or cancel participation in the DRP are also available on the corporate website, www.apn.com.au.

The Directors have set the current rate of discount applicable to the DRP at 2.5%.

No brokerage, commission, stamp duty or other transaction costs are payable on any allotment of shares under the DRP.

INVESTOR INFORMATION

The Annual Report is the most comprehensive publication with information for investors. Copies of the 2008 Annual Report and Shareholder Review may be obtained by contacting the Share Registry or on the corporate website, www.apn.com.au. Other financial and relevant information, including press releases on financial results and Chairman's addresses, are available from the corporate office in Sydney, or at the corporate website.

CORPORATE DIRECTORY

APN NEWS & MEDIA LIMITED

DIRECTORS

GK O'Reilly (Chairman)
AE Harris (Deputy Chairman)
BMA Hopkins (Chief Executive)
S Atkinson
DJ Buggy
PP Cody
PM Cosgrove
VC Crowley
LP Healy
KJ Luscombe
JH Maasland
AC O'Reilly

SECRETARY

Y Lamont

REGISTERED OFFICE

Level 4, 100 William Street, SYDNEY NSW 2011
Telephone: +61 2 9333 4999
Facsimile: +61 2 9333 4900

SHARE REGISTRY

Link Market Services Limited
Level 12, 680 George Street, SYDNEY NSW 2000
Locked Bag A14, SYDNEY SOUTH NSW 1235
Telephone within Australia: 1300 553 550
Facsimile within Australia: 02 9287 0303
Telephone within New Zealand: 09 375 5998
Facsimile within New Zealand: 09 375 5990
Telephone outside Australia and New Zealand:
+61 2 8280 7111

Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

AUDITORS

PricewaterhouseCoopers
Darling Park
Tower 2, 201 Sussex Street, SYDNEY NSW 2000

PRINCIPAL BANKERS

ABN AMRO
ANZ
Commonwealth Bank
HSBC
JP Morgan
National Australia Bank
Westpac Banking Corporation

Relationship of the Shareholder Review to the Full Financial Report

The shareholder review is an extract from the full financial report for the year ended 31 December 2008. The financial statements and specific disclosures included in the shareholder review have been derived from the full financial report.

The shareholder review cannot be expected to provide as full an understanding for the financial performance, financial position and financing and investing activities of APN News and Media Limited and its subsidiaries as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please call 1300 553 550 (within Australia), 09 375 5998 (within NZ) or +61 2 8280 7111 (outside Australia/New Zealand) and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the shareholder review via the internet on our website: www.apn.com.au

APN News and Media Limited (ABN 95 008 637 643) is a company limited by shares, incorporated and domiciled in Australia.

Notice is hereby given that the Annual General Meeting of members of APN News and Media Limited will be held at The Four Seasons Hotel, 199 George Street Sydney, NSW on Tuesday 5 May 2009 at 11:00am.

