MARKET ANNOUNCEMENT

Decline in publishing offset by solid performances in radio and outdoor

- Net debt reduced by $180m
- Net Profit After Tax before exceptional items of $54m in line with guidance
- Weak markets offset publishing improvements. Cost initiatives delivered $25m of savings in 2012 with another $25m reduction expected in 2013
- Australian Radio Network outperforms with market share up 7%
- Adshel EBITDA up 29% with strong gains in market share
- GrabOne doubles revenue, increases EBITDA by 7 times and leads market with 75% share
- Non-cash impairment drives post exceptional loss of $456m

SYDNEY, 21 February 2013 – APN News & Media [ASX, NZX: APN] today released its results for the twelve months ending 31 December 2012. Revenue was down 13% to $929m and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was down 25% to $156m. Net Profit After Tax (NPAT) before exceptional items was $54m in line with guidance.

The revenue decline comes from deconsolidation of APN Outdoor following the formation of the joint venture with Quadrant Private Equity. Revenue from continuing operations was up 2% to $857m and EBITDA from continuing operations was down 14%. As advised in the Company's trading update in December 2012, NPAT was diluted by $8m by the joint venture.

APN today announced a non-cash impairment charge of $151m, associated with APN's publishing assets in Australia and New Zealand. This impairment is in addition to the $485m announced in August 2012. Taking these factors into account, the Company reported a Net Loss After Tax of $456m.

APN FINANCIAL RESULT 2012

AUD million	2012	2011
Revenue	928.6	1,072.4
EBITDA*	156.0	208.9
EBIT*	122.5	171.4
Net profit after tax pre-exceptionals	**54.4**	**78.2**
Exceptional items (including impairment)	(510.2)	(123.3)
Statutory net loss after tax	**(455.8)**	**(45.1)**

*Before exceptional items based on segment reporting

The Company reduced its debt by $180m during 2012. This was achieved through asset sales, the formation of the APN Outdoor joint venture and a focus on cash management. Reducing APN's debt levels is an ongoing objective.

APN will reduce debt by a further $40-$50m in 2013. This will be delivered by organic earnings including the cost reduction program in publishing, as well as small asset and property sales.

The Board has decided not to pay a final dividend for 2012.

APN Chairman, Peter Cosgrove said: "The structural changes to media together with the weak advertising markets have impacted the results. Work has been done to reposition the business and we are seeing encouraging improvements. We have also been disciplined in reducing costs while investing in growth where appropriate.

"Australian Radio Network, Adshel and GrabOne all delivered good performances in 2012, with strong increases in revenue, earnings and market share. These results have been achieved in a difficult environment.

"Our publishing divisions are pushing through extensive change agendas which have been well received by our audiences and are gaining traction with advertisers. Cost reduction programs delivered $25m in savings in 2012 with another $25m reduction expected this year."

APN SEGMENT RESULT 2012

AUD million (YoY growth %)	Revenue			EBITDA		
	2012	Local currency	As reported	2012	Local currency	As reported
Australian Regional Media	**248.8**	(10%)	(10%)	**38.7**	(30%)	(30%)
New Zealand Media	**287.4**	(7%)	(5%)	**47.8**	(24%)	(23%)
Australian Radio Network	**140.0**	5%	5%	**50.8**	7%	7%
The Radio Network (NZ)	**86.7**	(2%)	(0%)	**15.1**	(12%)	(11%)
Outdoor group	**110.5**	(58%)	(58%)	**19.6**	(57%)	(57%)
Digital group	**55.3**	367%	374%	**(0.8)**	82%	82%
Corporate	**-**	-	-	**(15.2)**	(7%)	(7%)
Total	**928.6**	(14%)	(13%)	**156.0**	(26%)	(25%)

* Outdoor group consists of a 48% interest in APN Outdoor and 50% interest in Adshel and Hong Kong Outdoor.
** 2012 result has been impacted by the formation of the APN Outdoor Joint Venture and the brandsExclusive acquisition. Further detail is provided in APN's 2012 results presentation available on www.apn.com.au.

Publishing

Australian Regional Media (ARM) advertising revenue was substantially impacted by the slowdown in the mining sector in Queensland and the decline of federal and state government advertising. ARM reduced its cost base and delivered a range of product initiatives, however the overall result was down.

During the year, ARM overhauled its management structure, transformed the approach of its editorial and sales teams and relaunched its network of 30 news websites. The digital first sites in Coffs Harbour and Tweed Heads delivered an EBITDA improvement of $2m on a lower revenue base.

ARM had a solid start to 2013 with revenue run rates stabilising. However, Cyclone Oswald and the floods in January have caused significant disruption across much of the region. The immediate impact on ARM's operations has been less significant than the floods of 2011. However, the full financial impact is still being assessed.

New Zealand Media (NZM) was also affected by the weak markets. Advertising revenue declined 8% mainly in display and employment advertising. NZM continued to deliver substantial cost savings during the year.

NZM has successfully delivered its rejuvenation program. The relaunch of the weekday New Zealand Herald as compact, as well as the relaunch of regional titles, have been positively received by readers and advertisers as has the new multimedia sales approach. Further product rejuvenation will take place in 2013, which started with the relaunch of the Herald on Sunday earlier this month.

In relation to 2013, NZM has a major cost reduction program underway and is progressing with the sale of its publishing businesses in Christchurch, Oamaru and Wellington.

Radio

Australian Radio Network (ARN) had a very successful year increasing market share by 7%. While the Australian radio market was down 1%, ARN revenue was up 5% to $140m and EBITDA up 7% to $51m. As at January 2013, ARN has exceeded market revenue growth for 19 consecutive months.

In 2012, ARN achieved the highest ratings for its target audience, aged 25-54, in five years.

In 2013 to date, ARN has maintained its strong revenue growth. Mix has just launched a new breakfast show in Sydney and new drive shows in Sydney and Melbourne. ARN and The Radio Network (TRN) will launch leading digital platform iHeartRadio in Q2.

In New Zealand the radio market was flat. TRN's revenue was $87m, down 2% and EBITDA was $15m, down 12%. The results reflect, in part, closing the Easy Mix network, investment in digital content and capabilities as well as marketing. Newstalk ZB remains #1 station nationally and Coast moved to #1 music station nationally.

New CEO Jane Hastings started in September and is driving a program of change to rebuild TRN. A restructure of the management team and sales team is already complete. 2013 has had a strong start to the year with revenue and bookings more than 10% ahead of this time last year. Content, sales strategy and iHeartRadio are all high priorities for the year ahead.

Outdoor

In Australia, the outdoor market was up 2% while the New Zealand market was down 19% accentuated by strong Rugby World Cup comparisons for billboards in particular.

Adshel delivered an outstanding performance with revenue of $143m, up 17% and EBITDA of $35m, up 29%. It also made strong gains in market share. Adshel's success was driven by a number of strategic contract wins in 2011 as well as improved sales strategy and market proposition. Adshel delivered a number of innovative interactive campaigns for clients including Qantas, Expedia and Emirates. Revenue and bookings for 2013 to date are ahead of last year and Adshel relaunched its brand in February 2013.

APN Outdoor was established as a joint venture with the sale of 50% to Quadrant Private Equity in May. Full year revenue was $208m, down 3% and EBITDA was $30m, down 19%. During 2012, APN Outdoor strengthened its senior team and created a new digital team. It continued its digital rollout, establishing Brisbane's first premium large format digital billboard and receiving approval for another two. APN Outdoor renewed several exclusive transit advertising contracts and secured advertising rights to Virgin

Australia's Brisbane terminal, APN Outdoor's fifth airport contract. In January 2013, APN Outdoor's revenue was up year on year, but the market remains short.

Revenue for Hong Kong Outdoor was A$39m, up 17% and EBITDA was A$4m, down 16%. Hong Kong Outdoor's billboard business performed well. In transit, investment to deliver new offerings introducing wifi and multimedia on buses increased revenue but decreased EBITDA.

Digital

APN strengthened its digital ventures portfolio in 2012, increasing equity in GrabOne from 75% to 100% and acquiring 82% of brandsExclusive in June.

GrabOne achieved exceptional results with revenue of $14.8m, up 93% and EBITDA of $4.4m, up 7 times. GrabOne continues to lead the market with approximately 75% market share. Membership is now more than 1m, a 40% increase on last year. GrabOne continues to trade strongly in 2013 and is expected to continue its EBITDA trajectory this year.

brandsExclusive has been investing for growth. Since acquisition, brandsExclusive has increased its membership by 500,000 to 2.4m and launched in New Zealand. Full year revenue was $57.0m, up 13% and EBITDA was a $4.2m loss which includes $3.0m investment in growth initiatives. There has been a focus on increasing the conversion of membership to sales and stronger revenue growth is expected in 2013 as a result.

CC Media produced solid results with revenue of $5.2m, up 7% and EBITDA of $1.5m, up 52%.

Outlook

Trading has been positive in the early part of 2013. Revenue declines have moderated in publishing, and the identified cost reduction programme is being implemented. The impact of the recent Queensland floods is still being assessed but is expected to be lower than in 2011. Revenue in all other divisions is ahead of prior year.

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