



**APN News & Media Annual General Meeting
Chairman's Address to Shareholders**

Ticker: (Bloomberg) INM.ID/ INM.LN and (Reuters) INME.I/ INME.L

Dublin/London – 30 April 2010: The Chairman of APN News & Media Ltd ('APN'), in which Independent News & Media PLC ('INM') has a 32.2% shareholding, made the following address at the company's Annual General Meeting held on 30 April 2010.

The international marketplace will record 2009 as the most testing year faced by businesses for several generations. Happily 2009 is firmly behind us.

In this, my second report to you as Chairman of APN News & Media, the one comfort that I can share is that being a part of an Australasian company compares favourably to anywhere else in the world – and particularly in the world of media.

Yes, we certainly faced great challenges and a much, much weaker revenue backdrop in 2009 - but in both a relative and underlying sense, the Australian economy fared rather well and New Zealand – though having faced a more difficult economic environment than Australia – thankfully began to see an improving trend towards the end of the year.

That said, there is no escaping how incredibly difficult 2009 was not only for APN, but for so many of our customers and advertisers. As such, full-year revenue declines were common to all of our business units and, indeed, to all media businesses in Australasia and across the world – with very few economies insulated from the incredible and sudden contraction in consumer and advertising confidence.

None of this is an excuse – rather a statement of what was. But against that sobering environment, it is equally important to reflect on the things your Company did well in 2009. Your Company did record progress in a number of areas: meaningful cost reductions across all of the business units; a strengthened balance sheet; market share advances and good progress in implementing a new and innovative multimedia sales strategy these are just some of the achievements of note for the year and which form a strong basis for growth and recovery in 2010.

As was the case for most businesses, 2009 was an unbelievably tough year for your Company; particularly in the first six months where revenues fell by 17% and profitability halved on the prior year. These are unparalleled revenue falls – and yet one needs to put that into proper perspective – as your Company still delivered revenues in excess of a billion dollars and most importantly, produced a solid 2009 Net Profit After Tax of \$94.2 million. While it is appropriate to state that those figures were in line with guidance - given the myriad of economic factors that affected so many of our customers and clients - we believe this to be a resilient performance. Of particular significance was a reduction of \$78 million, or 8%, in costs over the past 12 months that helped your Company to mitigate the full effects of the economic slowdown.

Against the emerging difficulties in global banking markets in early 2009 - and as uncertainty in global financial and credit markets gathered apace - your Board unanimously determined that it should be prepared to raise additional capital to ensure that – no matter what conditions evolved – APN had sufficient capital to ensure adequate financial and operational flexibility. Accordingly, last May, your Company successfully raised \$100 million by way of an entitlement offer – this offer was over-subscribed and served to further strengthen your Company's balance sheet. I want to use this occasion today to thank all of our shareholders for their ongoing support and commitment to this capital issue.

Because of this important capital addition – allied to the generally tougher trading conditions that APN experienced during 2009 – the Board decided not to pay an interim dividend last Spring. While that was doubtless a disappointment to many shareholders big and small, the Board's judgment was based on balancing the needs of the Company's capital requirements whilst at the same time, assessing trading conditions and forecasts; while the second half of 2009 did see both an improving revenue and profit trend, it was a decidedly slow upturn, and thus it was a unanimous Board decision that erred on the side of prudence.

Happily, the 2010 year has already started off better and as a result, your Board was able to resume the payment of a modest dividend, declaring and paying out a fully franked final dividend of 4 cents per share.

I am conscious that many shareholders will want some indication on the level of future dividend payments. While I do not have a crystal ball, in the immediate term, the Board would expect to maintain a broadly conservative payout schedule, that takes account of the prevailing climate of capital markets, advertising conditions and our broader capital requirements – and prioritises our desire to improve our key credit metrics.

In a year when the global slowdown forced a reassessment of so many business models, it is pleasing to report that APN continues to focus on its core strength – that of being the leading, multi-media operator in each of its local markets. And now, as we begin to see recovery in each of our markets, it is these unique, market-leading positions that should, over time, restore profitability to previous highs and move your Company on to even greater levels of shareholder returns. Adding to this growing level of confidence is APN's ability to offer its customers, cross-platform sales packages courtesy of our world-class Publishing, Radio and Outdoor assets, which in turn are integrated with and supported by a first-class Online offering, that is now a crucial component of each of our business divisions.

So – as we look forward to 2010 - APN remains a leading, diversified media company, operating in some of the most attractive markets in one of the world's best-performing economic areas.

Allied to that, with a lower fixed-cost base and consistently high operating leverage – APN is very well placed to take advantage of the recovery in our markets. In the CEO's presentation which follows, it will show some interesting graphs on revenue performance year to date. Happily, our markets are already performing better in 2010 - with Australian commodities regaining strength on the back of improved orders from a resource-hungry China, a consequence of which is advertising growth in a Queensland economy that is so pivotal to APN's continuing success. And although the New Zealand economy has been less robust over the past year, our New Zealand's trading results improved in the fourth quarter of 2009, and

early growth in advertising revenue, notably from retail and national clients, means we are already experiencing a stronger year in 2010.

So, our business is now trending stronger and performing ahead of the prior year on a like-for-like basis in both Australia and New Zealand. Most recently, trading in April has continued that trend with National Advertising in particular beginning to pick up, which is particularly benefiting our businesses that have a high exposure to dealing directly with Advertising Agencies, such as Outdoor and Radio in Australia. In New Zealand on a comparable basis, revenue is ahead of the prior year in March and, because of good cost control over the past year, satisfactory profit growth is being recorded.

Forward Bookings for May and June also give confidence for an improved 2nd Quarter's trading and, even at this early stage, as Advertisers are planning campaigns longer term once again, we believe that our July to December half should show good growth in Advertising spend across all of our markets.

So, our markets are finally beginning to move in a positive sense from the extraordinary events of 2009. I believe that this trend, allied to an innovative revenue focus and an ever vigilant cost management culture, will permit APN to produce improved results for you, our shareholders.

Before I finish my address and take your questions from the floor, I want to address head on a subject that has gained substantial media coverage in this past week, and that is the shape and composition of your Board. Before I do, let me say unequivocally, that I believe that you as shareholders are fortunate to have a Board of Directors of such local and international experience with proven financial and media expertise – comprised of 10 individual directors – each of whom are resolutely committed to driving shareholder value for you, our shareholders.

The ASX Governance guidelines state that your Board should be structured in such a way:-

- 1) That Directors have a proper understanding of, competence to deal with, the current and emerging issues of the business.
- 2) That Directors exercise independent judgement on behalf of all shareholders.
- 3) That Directors encourage enhanced performance of the Company and.
- 4) That Directors can effectively review and challenge the performance of management.

I can confirm - as a matter of record - that your Board operates to those expectations.

Moreover, as I have just mentioned and as Brendan will talk to in detail, the performance of APN in both absolute and relative terms compares favourably with our peer group and your share price has been one of the best performing media stocks in the past 12 months -- that is not luck, rather that reflects in large part the strategic input, management oversight and contribution of each of your Directors.

So it is with that context, that I am - of course - acutely aware of the views of many institutional and retail shareholders who have indicated - by their proxies - their genuine

concerns about the size and composition of your Board; their concerns about the perceived “over-representation” of Directors associated with INM; and specifically, their calls for a greater representation of local, Australian-based Directors.

In addressing this particular issue, I want to firstly say 3 important things:

1. To all of those shareholders who have clearly communicated these concerns, your Board hears you loud and clear.
2. Given the very unusual and vocal public campaign of this past week, your Board believes that shareholders would benefit from being advised on the final voting tally on each resolution, which we will do when we get to the formal part of this meeting and as each resolution is put to shareholders.
3. I want to stress that no director takes your support for granted, and each of the Directors up for re-election are hugely appreciative of the support that you have shown in them.

If you'll indulge me, let me take two minutes to provide what I think is some important context on the issue of Governance, Board composition and your role in it:

1. Each Director is regularly put before you for consideration, examination and ratification. As the votes in this and prior years confirm, the vast majority of shareholders have consistently endorsed the Board and its strategic oversight of your business.
2. However, in saying that, your Board equally knows that Board participation is not a right, and rather Board composition needs to be necessarily evolutionary. In that respect, I think it is important to record that over the past 2 years, your Board has seen no less than 5 directorate changes – with the Board size reducing from 13 to its current 10.
3. Each APN Director serves your interest – plain and simple – and each director exhibits independence of both character and judgment – and to suggest otherwise is factually wrong.
4. Finally, as a Board, we have no illusions about our clear governance obligations to you and as such, we are ever-mindful of and remain fully committed to ongoing Board change, reflecting the needs of our business and markets in what is a very complex and fast-evolving media matrix. So change is what we do.

But inherent in that commitment to change, we believe it is absolutely essential that such change be carried out in a structured, professional and methodical way and in a stable environment – that best underpins and positively supports the APN share price.

To do that, it requires direct dialogue with our shareholders, big and small – giving us the opportunity to hear your considered points of view. And that is what we have been doing and what we are going to do with even greater vigour and urgency. I am confident that the result of this structured approach and positive interaction with you shareholders – and not megaphone or opportunistic tactics by non-APN shareholders – will lead to further, progressive Board change and development that will support our businesses and is in the best

interest of all APN shareholders. In terms of timing, I am confident that any consequent changes will become evident during 2010, and certainly before the next AGM.

The second issue which has also grabbed the headlines this week is the repeated questioning of INM's commitment to its shareholding in APN. Despite INM publicly and repeatedly pledging its commitment to APN over the past 12 months, there has been a litany of factually incorrect market speculation to suggest otherwise, which I do not believe has been helpful to APN and its shareholders.

If you'd allow me to speak for a minute in my capacity as CEO of INM – as I believe it is germane to your interests as APN shareholders - I want to reiterate that INM are happy long-term, strategic holders in APN.

As I think has been widely acknowledged, INM has certainly played an important role in the development, growth and success of APN since the business was first listed on the Stock Exchange back in 1992, and INM remains committed to continue to support the growth of APN in the future.

Ladies and gentlemen, we have a great Company in APN, with really great assets, a market rating consistent with our peer group, and most importantly, a Board of Directors and a management team that is focused on working for you and driving shareholder value for you.

Finally, on behalf of you shareholders, I would like to extend my thanks to my fellow Directors, to Brendan and all of our management and staff colleagues, who have collectively – again – exhibited great effort, flair and determination in what was a most challenging 2009.

So, all that is left for me to do is to thank you – our shareholders - again for your continued support and now look forward to taking your questions.

Gavin K O'Reilly
Chairman

-- ENDS --

For Further Information:

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About APN

APN News & Media Limited [ASX, NZX:APN] is the largest media company in New Zealand, where it owns *The New Zealand Herald*, the country's largest newspaper. APN is the largest radio and outdoor advertising operator in Australasia as well as one of Australia's leading regional publishers. In Asia, the Company has market leading Outdoor positions in Hong Kong and Indonesia. APN is a leader in online in both New Zealand and in Queensland and has been listed on the Australian Stock Exchange since 1992, and on the New Zealand Stock Exchange since June 2004.