



Independent News & Media PLC

APN NEWS & MEDIA LIMITED - RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

APN Interim Profit up 5% to \$73.2 million Second Half growth set to accelerate

APN News & Media Ltd ['APN'], in which Independent News & Media PLC ['INM'] has a 38.3% shareholding, today announced a record interim Net Profit After Tax and before non-recurring items (NRI) of A\$73.2 million for the six months ended June 30 2007, up 5% on the prior year.

H1 Results pre NRI	\$A million	Growth
Revenue and other income*	633.7	+2%
EBITDA**	160.4	+3%
EBIT**	142.4	+3%
NPAT	73.2	+5%
<i>Earnings Per Share</i>	<i>15.4c</i>	<i>+4%</i>

**Excludes finance income and businesses disposed/closed in the prior year.*

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The Directors have today declared an unfranked interim dividend of 10.5 cents per share, up 8% on the prior year.

APN Chief Executive Brendan Hopkins said: "This is a solid outcome for the first half of the year. While trading conditions in New Zealand were subdued, Australian Publishing continued to perform well, due in part to the ongoing strength of the Queensland economy. The Outdoor division recorded a very pleasing 33% increase in EBIT, demonstrating the value of our market leading brands.

"The second half of the year is traditionally our busiest trading period and we are well placed to profit from changes that have been made to our business model and the ongoing growth of our portfolio of assets across a broad range of economies and geographies.

"Cost management has been a priority across the Group, with cost growth in local currency being limited to just 2% despite significant increases in newsprint prices.

"The period saw significant investment in two areas of our business. First, APN continues to invest in its Online Division, building new assets and forming strategic joint ventures that expand our offering to advertisers and to audiences. Secondly, the Company has almost completed the process of redefining its business model, requiring investment in new business systems, facilities and training that transforms the way we operate in our markets.

"The new business model has initially focused on the Company's Publishing divisions but will broaden its scope to bring subsequent benefits to Radio, Outdoor and Online. Already

there has been a significant reduction in staffing requirements and an improvement in production efficiencies. The gains from the new business model have already been seen in July trading and will continue throughout the second half, with full benefits to be seen in 2008/09.”

Divisional EBIT results

All of the Company’s divisions recorded EBIT growth in the first six months of the year.

APN Group EBIT pre NRI (AUD million)	June 30 2007	June 30 2006	Reported Growth %
Publishing	107.7	104.9	3%
<i>Regional Publishing</i>	<i>59.5</i>	<i>56.9</i>	<i>5%</i>
<i>New Zealand National Publishing</i>	<i>48.2</i>	<i>48.0</i>	<i>1%</i>
Radio	36.5	35.9	2%
Outdoor	9.2	6.9	33%
Corporate & Other	(4.8)	(5.1)	(7%)
Group EBIT pre New Product Initiatives (NPI)	148.6	142.6	4%
NPI	(6.2)	(3.7)	
<i>Online</i>	<i>(4.9)</i>	<i>(1.8)</i>	
<i>Other</i>	<i>(1.3)</i>	<i>(1.9)</i>	
Group Trading	142.4	138.9	3%
Businesses disposed/closed	-	1.4	
Total	142.4	140.3	2%

Regional Publishing

APN publishes 23 regional daily newspapers and more than 100 non-daily and community titles across high growth markets in Australia and New Zealand. The Regional Publishing division recorded EBIT growth of 5%, on top of good growth in the previous corresponding period. In Australia, the continuing strong resource sector and superior growth in tourism provided robust trading conditions in our local markets. Revenue was up double-digit, led by strong growth in retail advertising and an outstanding result in national advertising.

Unemployment in Queensland continues at 30-year lows, which is again reflected in double-digit growth for employment advertising. The extension of our advertising offering to clients, including online packages and job exhibitions, has also been well received.

The division continues to make strategic acquisitions and, as announced at the Company’s Annual General Meeting, completed the acquisition of Toowoomba Newspapers, bringing The Chronicle in Toowoomba and a number of important non-daily and community titles fully into the company’s portfolio of assets.

New publishing products continue to be developed, taking advantage of the gloss colour capacity now available from the new press centre at Yandina. In particular, gloss colour property sections are now produced for nine newspapers, delivering double-digit growth in real estate advertising. More than 20 different publications and colour sections are now printed at Yandina as readers and advertisers continue to benefit from the Group’s investment in world-leading printing technology.

Trading conditions in regional New Zealand were subdued; however, new product developments continue to be well received by advertisers and readers. New gloss colour property sections across a number of titles helped grow real estate advertising. Similar to Australia, unemployment in New Zealand is at generational lows, and double-digit growth in employment advertising was achieved.

New Zealand National Publishing (NZNP)

NZNP comprises The New Zealand Herald, Herald on Sunday, The Aucklander and New Zealand Magazines. The division leads the major Auckland market, with 8 out of 10 Aucklanders reading at least one APN title each week.

Trading conditions remain challenging; however, growth in revenue and EBIT continues to be positive. Costs were flat despite a 6% increase in the cost of newsprint, showing the early benefits of the business restructuring programme.

The New Zealand Herald has the highest readership of any daily newspaper in the country and undertook a number of strategic new product developments in the first half, including new Metro Pages, Green Pages and The Business.

The Herald on Sunday, which launched in October 2004, has now moved into profitability. It is the most read Sunday newspaper in Auckland and continues to make good gains in advertising market share. Combined with the Weekend Herald – the biggest selling newspaper in New Zealand – the publications reach 86% of weekend readers in Auckland. A number of new sections were launched in the first half, maintaining readership and advertising momentum.

The New Zealand Woman's Weekly continues to be the best read weekly magazine in the country, growing circulation by 1.5% in the first half, leading the women's magazine category. Similarly, the Listener grew its circulation in the current affairs category, and Crème magazine recorded an exceptional 22% increase in circulation in the 12 months to June 2007.

Online

APN continues to invest in its Online Division, developing products that extend existing APN brands, as well as identifying joint venture partners for standalone internet opportunities. The nzherald.co.nz website grew advertising revenue in the first half by 75% on the previous corresponding period. The site now generates more than 7 million page impressions from 500,000 unique browsers each week. It is the third most visited website in New Zealand and the most popular news site, receiving the best news website award in the Qantas Media Awards.

The investment phase continues for the 'Search 4' classifieds brand, which is being extended for cars, jobs, property and general classifieds across New Zealand and Australia. Search4jobs is a strong second in the New Zealand online employment market, where audience growth flattened in the last quarter. Search4cars and Search4stuff are both building good audience numbers in Queensland, while the Worksearch jobs site has provided an important complement to our newspaper employment sections across northern NSW and Queensland.

The Sunshine Coast Daily's website was relaunched as thedaily.com.au and has been well received by the local community, with other site relaunches being planned. The New Zealand joint venture classified site sellmefree continues to build volumes and is increasing market share. The joint venture finda has successfully consolidated and transformed APN's existing UBD businesses, with the online directory including more than 270,000 listings, now the largest online directory in New Zealand.

Radio

The Radio Division comprises the Australian Radio Network (ARN) and The Radio Network (TRN) in New Zealand, which together reach almost 6 million listeners each week – the largest radio audience in Australasia. Overall, EBIT grew 2% to \$36.5 million. In Australia, the network's two music streams of Classic Hits and Mix continued to focus on their core demographic of 25-54. The Classic Hits network in particular continues to show good returns, increasing share of agency advertising in key markets, and Mix has increased its cumulative 10+ audience across the 2007 surveys to date. Tight cost management helped deliver a 3% increase in EBIT for ARN. In New Zealand, EBIT moderated as costs rose, reflecting new licences and sales related costs. TRN remains the market leader in New Zealand radio, with the number 1 stations in Auckland and Christchurch and number 2 in Wellington. TRN has a combined 45% share of all audiences aged 10+, well ahead of its nearest competitor.

Outdoor

APN Outdoor operates the market leading brands in each of the main outdoor advertising categories in Australia and New Zealand. The division produced a very strong 33% increase in EBIT to A\$9.2 million, building on the acquisition of a number of major new contracts, including Christchurch Airport and Vic Roads. Adshel was also successful in retaining the Melbourne Street Furniture contract, the largest contract of its type in Australia.

Buspak introduced new formats which have been well supported by advertisers. New digital panels were also introduced in Australia and are due for rollout in New Zealand. In Asia, operations continued to grow. In Hong Kong, the Company's transit business benefited from a renewed focus on new product development and new revenue streams. The success achieved in the first half of 2007 across the Outdoor division is expected to continue in the second half.

Capital management

At the recent AGM the Company announced it would continue the share buy-back program commenced in 2005. By the end of last year, 55 million shares had been bought back.

During the period the balance of the 63 million convertible notes issued in 2001 as part of the acquisition funding for Wilson and Horton were converted or redeemed. The buy-back has, and will continue to help ensure that the Company's capital is efficiently managed to enhance returns to shareholders.

The Company is in a sound financial position, with access to capital for worthwhile growth opportunities.

Outlook

The Company continues to believe that second half growth will be in line with expectations outlined at the recent Annual General Meeting.

Growth in Net Profit After Tax of between 5% and 10% is likely for the year.

ENDS.

Tuesday, 14th August 2007

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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 Australia's leading regional publisher. 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.

APN NEWS & MEDIA LIMITED
INTERIM PROFITS ANNOUNCEMENT

	A\$000	A\$000	€000	€000
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
Revenue	<u>601,331</u>	<u>606,053</u>	<u>365,617</u>	<u>365,996</u>
Operating Profit				
– Continuing Operations	139,995	137,738	85,119	83,180
– Exceptional Items	<u>(2,207)</u>	<u>4,234</u>	<u>(1,342)</u>	<u>2,557</u>
Profit from Continuing Operations	137,788	141,972	83,777	85,737
Net Finance Charge	(30,713)	(32,569)	(18,674)	(19,668)
Share of Profit of Associates	<u>2,426</u>	<u>2,523</u>	<u>1,475</u>	<u>1,524</u>
Profit on Ordinary Activities before Taxation	109,501	111,926	66,578	67,593
Taxation	<u>(17,671)</u>	<u>(24,403)</u>	<u>(10,744)</u>	<u>(14,737)</u>
Profit on Ordinary Activities after Taxation	91,830	87,523	55,834	52,856
Minority Interests	<u>(19,352)</u>	<u>(15,397)</u>	<u>(11,766)</u>	<u>(9,298)</u>
Profit Attributable to Members of the Parent Entity	<u>72,478</u>	<u>72,126</u>	<u>44,068</u>	<u>43,558</u>
Basic Earnings per Share (cents)	<u>15.2</u>	<u>15.3</u>	<u>9.2</u>	<u>9.2</u>
Diluted Earnings Per Share (cents)	<u>14.9</u>	<u>14.7</u>	<u>9.1</u>	<u>8.9</u>

Profit & Loss Accounts translated at Average Rates
Average Exchange Rate 2006 €1 = A\$1.6559
Average Exchange Rate 2007 €1 = A\$1.6447

**APN NEWS & MEDIA LIMITED
GROUP BALANCE SHEET**

	A\$000	A\$000	€000	€000
	30 June	31 December	30 June	31 December
	2007	2006	2007	2006
Current Assets				
Cash and Cash Equivalents	69,349	70,681	43,547	42,248
Receivables	225,219	223,702	141,425	133,713
Inventories	22,051	21,939	13,847	13,114
Tax Assets	34,896	24,861	21,913	14,860
Other	<u>25,036</u>	<u>28,120</u>	<u>15,721</u>	<u>16,807</u>
Total Current Assets	<u>376,551</u>	<u>369,303</u>	<u>236,453</u>	<u>220,742</u>
Non-Current Assets				
Receivables	10,304	7,174	6,470	4,288
Other Financial Assets	30,946	22,696	19,432	13,566
Investments Accounted for Using the Equity Method	24,408	25,703	15,327	15,363
Property, Plant and Equipment	301,930	292,605	189,595	174,898
Intangible Assets	1,852,878	1,740,614	1,163,503	1,040,415
Deferred Tax Assets	<u>35,905</u>	<u>36,471</u>	<u>22,546</u>	<u>21,799</u>
Total Non-Current Assets	<u>2,256,371</u>	<u>2,125,263</u>	<u>1,416,873</u>	<u>1,270,329</u>
Total Assets	<u>2,632,922</u>	<u>2,494,566</u>	<u>1,653,326</u>	<u>1,491,071</u>
Current Liabilities				
Payables	161,219	197,295	101,236	117,929
Derivative Financial Instruments	3,037	3,418	1,907	2,043
Interest Bearing Liabilities	94,446	89,414	59,307	53,445
Current Tax Provisions	13,822	5,299	8,679	3,167
Provisions	<u>13,161</u>	<u>14,108</u>	<u>8,264</u>	<u>8,433</u>
Total Current Liabilities	<u>285,685</u>	<u>309,534</u>	<u>179,393</u>	<u>185,017</u>
Non-Current Liabilities				
Payables	5,420	5,558	3,403	3,322
Interest Bearing Liabilities	810,336	801,593	508,845	479,135
Deferred Tax Liabilities	205,897	203,380	129,292	121,566
Provisions	<u>2,152</u>	<u>2,159</u>	<u>1,351</u>	<u>1,290</u>
Total Non-Current Liabilities	<u>1,023,805</u>	<u>1,012,690</u>	<u>642,891</u>	<u>605,313</u>
Total Liabilities	<u>1,309,490</u>	<u>1,322,224</u>	<u>822,284</u>	<u>790,330</u>
Net Assets	<u>1,323,432</u>	<u>1,172,342</u>	<u>831,042</u>	<u>700,741</u>
Equity				
Contributed Equity	972,358	817,579	610,586	488,690
Other Reserves	39,439	25,497	24,766	15,239
Retained Profits	<u>59,151</u>	<u>86,559</u>	<u>37,143</u>	<u>51,739</u>
Total Parent Entity Interest	1,070,948	929,635	672,495	555,668
Minority Interests	<u>252,484</u>	<u>242,707</u>	<u>158,547</u>	<u>145,073</u>
Total Equity	<u>1,323,432</u>	<u>1,172,342</u>	<u>831,042</u>	<u>700,741</u>

Balance Sheets translated at Closing Rates
Closing Exchange Rate December 2006 €1 = A\$1.6730
Closing Exchange Rate June 2007 €1 = A\$1.5925