



MACQUARIE  
ACN 002 574 923

Macquarie Private Wealth

Snapshot

## APN News and Media Ltd

### Business Description

APN News and Media Limited (APN) is involved in publishing, radio broadcasting, online, transit & outdoor advertising in Australia and New Zealand.

### Strategy Analysis

APN have diversified media operations spanning publishing, radio, online and outdoor advertising, providing cross selling opportunities and reducing reliance on any one market. In Australian regional publishing, APN management believes the business is well positioned in high-growth regional centres stretching from northern New South Wales to Mackay. Management aims to capitalise on its strong market position in NZ and Australian regional markets by providing regional news online under various mastheads. Outdoor has benefited from structural changes in its markets, including a growing sophistication in the product forms and in client measurement and expectations. APN News and Media reported a net loss of \$24m for the year ended 31 December 2008. Revenue from ordinary activities were \$1.26bn, down 6.5% from last year. These results include exceptional items of \$164.1m including a non-cash impairment charge of \$146.8m, which relates to the New Zealand assets acquired as part of the Wilson & Horton acquisition in November 2001. Diluted EPS was (4.9) cents compared to 34 cents last year. Net operating cash flow was \$173.94m compared to \$211.33m last year. The final dividend declared was 12 cents, taking the full year dividend to 22.5 cents compared with 31.5 cents last year.

08 September 2010

### Recommendation

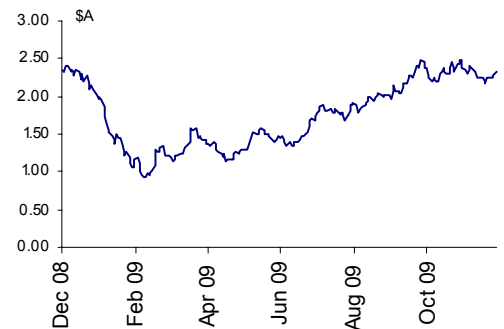
Recommendation: Underperform  
Relative to: All Ind (ex Fins)

### Investment Fundamentals

ASX code: APN  
Stock price: \$1.87  
Market cap: \$1,120m

Y/E 31/12/2010	2010e	2011e	2012e	2013e
Reported e \$m	110.2	120.5	130.0	138.7
Adjusted e \$m	110.2	120.5	130.0	138.7
EPS adjusted ¢	18.4	19.9	21.2	22.3
EPS growth %	8.2	8.2	6.6	5.3
PE x	10.2	9.4	8.8	8.4
PE relative x	0.7	0.8	0.9	0.9
DPS ¢	13.8	14.9	15.9	16.8
Yield %	7.4	8.0	8.5	9.0
Franking %	0.0	0.0	0.0	

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Publishing	57.6	10.7	21.2	-5.0%	-22.0%
Outdoor	22.3	4.3	7.0	-11.0%	-3.0%
Radio	20.2	10.8	27.5		
<b>Total</b>	<b>100.1</b>	<b>25.8</b>	<b>55.7</b>		
Results by Geography				Dividend Reinvestment Plan	Shareholder Discounts
Australia	52.3	0.0	21.1	Yes	No
New Zealand	40.8	0.0	1.6		
Asia	6.9	0.0	8.9		
<b>Total</b>	<b>100.0</b>				

### Company contact details:

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