NEWS & MEDIA

APN News & Media Annual General Meeting
Brisbane, April 23 2003

Chairman's Address to Shareholders

In presenting the 2002 results to you, it is fair to say that the year just passed provided a significant challenge to the media sector in Australia, New Zealand and around the world. Your company has responded well and returned a net profit of $90.2 million – a record result and an increase of 87% over the previous year.

The result included for the first time the contribution from the Wilson & Horton operations, New Zealand's largest publishing company, which APN acquired in December 2001. Earnings per share increased 16% to 20.8 cents per share. The Board has approved a final fully-franked dividend of 10.0 cents per share, bringing the total for the year to 16.0 cents per share, up 10% from the previous year. This marks the 10th consecutive year of dividend growth for shareholders, and represents a dividend payout ratio of 77%.

Strong performances from The New Zealand Herald and APN's regional newspaper division were central to the overall result. The Wilson & Horton acquisition has proven to be a most successful and strategically important one for your company. The addition of quality assets to APN's already successful mix of publishing, broadcasting and outdoor advertising businesses was fundamental to securing the 2002 result. These assets include that country's largest daily newspaper, The New Zealand Herald, nine regional daily newspapers as well as additional shareholdings in radio and outdoor advertising assets.

Our publishing division, in particular, produced excellent profits, with growth in both circulation and advertising revenue. It is interesting to note that until recently it has been fashionable with some investors to dismiss publishing as a low growth, mature industry. We do not share that view. Around the world we are seeing a resurgence of newspaper brands in circulation, readership and advertising terms. We are confident that our newspaper assets will continue to generate above average returns for our shareholders.

APN now operates media businesses across six countries. This broad base of operations across a diverse range of local economies gives APN a better asset base from which to sustain an improved performance, particularly in times of economic uncertainty.

The Federal Parliament is again debating proposed changes to legislation that would allow media companies to own more than one category of media per market, defined as newspapers, TV or radio. We remain hopeful that sensible change will occur that will potentially open up more opportunities for growth. Whilst APN's ongoing growth is not dependent on these changes being passed, the industry as a whole should benefit, and we hope this would lead to an improved rating of media stocks by the marketplace both nationally and internationally.

During 2002, your Board appointed a new chief executive: Brendan Hopkins. As you may recall, it had been planned for John Sanders, APN's previous chief operating officer, to assume the role of CEO. Unfortunately, John was unable to take up his new role for medical reasons and he subsequently resigned from the Board. We were indeed fortunate to quickly appoint someone of Brendan's calibre to fill the role, minimizing potential disruption. He brings many years of international media experience to your company. Welcome, Brendan, to your first APN Annual General Meeting. We will hear from Brendan shortly, as he gives you a more detailed overview of the 2002 result and the start to 2003.

In summary, 2002 was a most successful year for your company, with record revenues and record profit.

The first quarter of 2003 has continued to produce satisfactory results. The diverse economies in which we operate continue to show good growth, and in particular our newspaper operations are performing well in both Australia and New Zealand.

It is difficult to predict with any certainty what the remainder of the year holds in store. The full impact on the local economy of the war in Iraq is still uncertain, as is the effect of the SARS virus. However, if current market conditions continue, the company is confident it will exceed the profit of the previous year.

Now, for a more detailed operational overview, I would like to hand over to Brendan Hopkins.

Mr Hopkins' presentation included the following key points:

Performance January-March 2003:

- Publishing: The company's newspaper assets in Australia and New Zealand continue to perform ahead of the same period last year. In figures released last week by the Audit Bureau of Circulations for the six months to March 31, APN's Australian regional newspapers increased circulation volumes by 2.1% on the previous year. This growth was the highest of any major publisher covered by the circulation survey.

  In New Zealand, the regional newspapers are also performing well, with continued strength in employment and real estate advertising. The New Zealand Herald has launched a new weekend colour magazine, Canvas, which has been well received by readers and advertisers. The advertising growth experienced in January and February moderated in March, however remains ahead of plan and the previous year. A recent cover price increase has been successfully introduced, with minimal impact on circulation.

- Radio: Good survey results in Australia and New Zealand show programming strategies are attracting more listeners, particularly in the target 25-54 demographic. Survey 2 in Australia in April showed Australian Radio Network stations now hold either first or second place with 25-54 year-olds in the main markets of Sydney, Melbourne and Brisbane. In New Zealand, survey results out last week show that in the main market of Auckland, APN stations are number 1, 2, 4, 5 and 8, maintaining their leading position.

  The Australian Broadcasting Authority has announced a review regarding the timing of new licences. We welcome that review and the opportunity to participate. APN encourages the ABA to review all aspects of the proposed new licences, including whether new licences will actually increase programming diversity, the optimal timing of the introduction of new licences, the long-term commercial impact on the radio industry and the ultimate effect on the quality of the product that is broadcast to listeners.

- Outdoor: The first quarter of 2003 has seen revenue growth over the same period last year. The outdoor industry is still facing some challenges but forward orders remain ahead of the same period in 2002. Indications for the second half are for an improved result.

- Print: The commercial print businesses remain a small component of the overall APN business, and are tracking in line with expectations. A number of large contracts are under negotiation.

- As part of ongoing improvement to the efficient management of capital, APN has sold the freehold title to its central Auckland office building of The New Zealand Herald for $NZ23 million. The company has subsequently signed a 20-year tenancy agreement with the buyer at very satisfactory terms. This will ensure the medium-term future of The New Zealand Herald at its existing premises.

- Overall, at the end of the first quarter, APN is performing ahead of the same period last year. It is difficult to predict with any certainty what the remainder of the year holds in store. The full impact on the local economy of the war in Iraq is still uncertain, as is the effect of the SARS virus. However, if current market conditions continue, the company is confident it will exceed the profit of the previous year.

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For Further Information:
Brendan Hopkins, APN Chief Executive (02) 9333 4999

About APN
APN News & Media Ltd [ASX:APN] is the publisher of *The New Zealand Herald* and is the largest operator of regional newspapers, radio broadcasting and outdoor advertising in Australasia. APN has been listed on the Australian Stock Exchange since 1992.