



27 September, 2005

Dear Shareholder,

I am delighted to enclose APN News & Media's Interim Report for the First Half of 2005.

It has been a very satisfactory six months for your Company, delivering another record profit result. Strong first half performances from the Newspaper and Radio divisions together with an improvement from Outdoor have underpinned this result. Our businesses remain well placed for the future, operating in an attractive range of diverse growth markets, which continue to provide above average returns.

APN is committed to organic growth in these growth markets and has invested over \$7 million in New Product Initiatives in the First Half. The results, which saw a 17% increase in NPAT, are after taking into account this investment.

The principal new initiative is the Herald on Sunday, launched last October to extend the New Zealand Herald's franchise to seven days a week. This new product has exceeded our expectations and is already the third largest circulating newspaper in New Zealand, and the best-read Sunday newspaper in Auckland according to the latest AC Nielsen Readership figures. Our stated objective was to grow readership of Sunday newspapers in Auckland, and this has already been achieved, with an increase in Sunday newspaper readership of 58% since the Herald on Sunday was launched.

In Australia, the \$35 million press development at Yandina on the Sunshine Coast will be on stream in mid 2006. This new facility will service the high growth South East Queensland market and underpin the Company's ability to deliver new product formats in this attractive publishing market well into the next decade.

The Outdoor division continued to deliver improved results in the First Half and remains on track to improve further in 2006. In the past month, this division has secured the strategically important contracts at Sydney Airport and State Rail of New South Wales. We remain confident of further growth.

The Second Half of the year has started in line with expectations and I look forward to reporting to you again in February 2006 when we announce our Full Year results.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'B Hopkins', with a long horizontal line extending from the end of the signature.

Brendan Hopkins  
Chief Executive

APN News & Media Limited  
ABN 95 008 637 643

Level 4 100 William Street Sydney NSW 2011 Australia Telephone 61 2 9333 4999 Facsimile 61 2 9333 4900