



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of APN News & Media Limited ABN 95 008 637 643 (**APN**) will be held at Level 27 AMP Centre, 50 Bridge Street, Sydney, New South Wales on Wednesday, 11 April 2012 at 4.00pm

BUSINESS

Financial Assistance

To consider, and if thought fit, to pass the following resolution as a special resolution:

"That, in accordance with section 260B(2) of the Corporations Act 2001 (Cth), the shareholders approve all elements of the transactions described and contemplated in the Explanatory Notes to the Notice of Extraordinary General Meeting which may constitute the giving of financial assistance by APN Outdoor Group Pty Ltd (ACN 155 848 589) and/or its subsidiaries."

NOTES

Required Majority

The resolution must be approved by shareholders who hold at least 75% of the total number of shares voted at the Extraordinary General Meeting (in person or by proxy, attorney or corporate representative). The Chairman of the meeting will put the resolution to a poll at the meeting.

Proxies

A shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies, who need not be shareholders of APN. Each proxy should be appointed to represent a specified percentage or specified number of the shareholder's voting rights. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half the votes. Fractions of votes will be disregarded.

Undirected Proxies

Any undirected proxy given to the Chairman, another Director or the Company Secretary will be voted by the appointed proxy in favour of the resolution.

A proxy form accompanies this notice.

Proxy forms may be lodged as follows:

- **online** at www.linkmarketservices.com.au;
- **fax** the completed proxy form to +61 2 9287 0309;
- **mail** the completed proxy form to Locked Bag A14, Sydney South NSW 1235, Australia; or
- **deliver** the completed proxy form to APN's Share Registry at Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000, or 1A Homebush Bay Drive, Rhodes NSW 2138 (during normal business hours).

In each case the validly completed proxy form (together with any other document(s) specified in the instructions to the proxy form) must be received at an address given above **no later than 4.00pm on 9 April 2012**. Proxy forms received after this time will be invalid.

Further directions for the proper completion of proxy forms are printed on the proxy form.

Voting by Attorney

A shareholder entitled to attend and vote at the Extraordinary General Meeting may appoint an attorney to vote at the meeting. An original or certified copy of the power of attorney must be received at an address given above at least 48 hours before the commencement of the Extraordinary General Meeting.

Corporate Representatives

To vote at the Extraordinary General Meeting, a corporation which is a shareholder, or which has been appointed as a proxy by a shareholder, may appoint a person to act as its representative. The appointment of a representative must comply with section 250D of the *Corporations Act*. Evidence of the appointment must be brought to the Extraordinary General Meeting together with any authority under which it is signed. A pro forma "Certificate of Appointment of Corporate Representative" may be obtained from APN's Share Registry.

Voting Entitlements

Pursuant to Regulation 7.11.37 of the *Corporations Regulations*, the Directors of APN have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Extraordinary General Meeting will be as it appears in the Share Register at 7.00pm on 9 April 2012.

Voting Procedure Generally

Each shareholder present in person or by proxy, attorney or corporate representative has one vote for each fully paid share held on a poll.

Jointly Held Shares

If shares are jointly held, only one of the shareholders can vote. If more than one joint shareholder votes, only the vote of the shareholder whose name appears first on the register of shareholders will be counted.

By order of the Board



Y Lamont
COMPANY SECRETARY
8 March 2012

EXPLANATORY NOTES

These notes have been prepared to assist shareholders with their consideration of items of business proposed for APN's Extraordinary General Meeting to be held at Level 27 AMP Centre, 50 Bridge Street, Sydney, New South Wales on Wednesday, 11 April 2012 at 4.00pm.

FINANCIAL ASSISTANCE

Funding arrangements

As announced to the market on 23 February 2012, APN has reached an agreement to form a joint venture with Quadrant Private Equity which will incorporate, among other interests, all of APN's wholly-owned subsidiaries operating its outdoor advertising business in Australia and New Zealand (**Outdoor Companies**) (the **Transaction**). In connection with the Transaction, the joint venture will seek funding of up to \$250 million from one or more financiers through a standalone debt facility separate from APN's own debt facilities and balance sheet (**Funding**). As announced, the Transaction is conditional on the Funding being obtained (among other things).

Use of Funding

The Funding will be used, among other things, to restructure the Outdoor Companies for the purposes of establishing the joint venture, to refinance existing indebtedness and to fund any associated costs. In particular:

- the recently incorporated joint venture vehicles APN Outdoor Group Pty Ltd (ACN 155 848 589) and its wholly-owned subsidiary APNO Finance Pty Ltd (ACN 155 849 611) will acquire the Outdoor Companies;
- APN Outdoor Group Pty Ltd will acquire additional equity in APNO Finance Pty Ltd; and
- APN will receive cash proceeds of approximately \$190 million from the Transaction.

Obligations to financiers

Under the documents for the Funding, which have not yet been agreed, it is expected that each of the joint venture vehicles and each Outdoor Company (each a **JV Company**) will guarantee the performance of the other JV Companies (as borrower and/or guarantor) and will grant the financiers security over all of its assets and undertaking (under a general security deed, a specific security deed or as otherwise required by the financiers) as security for its own performance and that of the other JV Companies. This is a typical security package for such funding arrangements. It is expected that each JV Company will also give certain customary representations,

warranties and undertakings, and will grant the financiers certain customary rights in the event that the JV Company commits certain defaults (such as committing a material breach or becoming insolvent).

Financial assistance

Section 260A of the *Corporations Act 2001* (Cth) (**Corporations Act**) prohibits a company from financially assisting any person to acquire shares in that company or a holding company of that company, unless the assistance:

- does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- is approved by shareholders under section 260B of the *Corporations Act*; or
- falls within a limited number of exemptions under section 260C of the *Corporations Act*, none of which apply to the Transaction.

As described above, it is expected that each JV Company will borrow, and/or guarantee and secure the repayment of, Funding which may directly or indirectly assist another entity to acquire shares in that JV Company or its holding company. For example:

- by giving a guarantee and security, each Outdoor Company may assist APN Outdoor Group Pty Ltd and APNO Finance Pty Ltd to acquire shares in the Outdoor Companies; and
- by borrowing the Funding and/or giving a guarantee and security, APNO Finance Pty Ltd may assist APN Outdoor Group Pty Ltd to acquire additional shares in APNO Finance Pty Ltd.

This assistance may constitute financial assistance for the purposes of section 260A of the *Corporations Act*. Each JV Company registered in Australia will therefore seek the approval of its shareholders to give such financial assistance. This is a typical practice in such circumstances.

Effects of the proposed financial assistance

Each JV Company may suffer adverse effects as a result of participating in the Funding arrangements in connection with the Transaction, including:

- each JV Company may become liable as a guarantor for the guaranteed money, and may become subject to enforcement action by the financiers under the Funding documents in the event of a default under the Funding documents;
- the financiers (or a security trustee acting on the instructions of the financiers) may be entitled to enforce the security granted by the JV Companies

and apply the proceeds of enforcement toward repayment of the amounts owed under the Funding documents; and

- the customary representations, warranties and undertakings which each JV Company may be required to give may impose certain restrictions on its ability to: (i) grant further security over its assets or dispose of assets; (ii) make distributions to shareholders; and (iii) borrow money in the future or incur further financial indebtedness.

Reasons for giving financial assistance

As noted above, the Transaction is conditional on the Funding being obtained (among other things). In order for the joint venture to obtain the Funding, it is expected that the financiers will require each JV Company to participate in the Funding arrangements in a manner that may constitute financial assistance.

Requirement for approval by APN's shareholders

In addition, under section 260B(2) of the *Corporations Act*, if a company giving financial assistance will be a subsidiary of a listed Australian company immediately after the relevant acquisition of shares, the financial assistance must also be approved by a special resolution passed at a general meeting by the shareholders of the listed company.

Due to the specific steps involved in completing the Transaction, each JV Company will still be a subsidiary of APN immediately after the relevant acquisition of shares in that JV Company or its holding company (even though, upon completion of the Transaction, the JV Companies will be jointly owned by APN and its joint venture partner and will cease to be subsidiaries of APN).

Accordingly, the JV Companies registered in Australia can only give the financial assistance which is likely to be required under the Funding documents if the shareholders of APN pass a special resolution approving the giving of the financial assistance at a general meeting. As announced, the Transaction is conditional on such approval being obtained (among other things).

JV Companies

The JV Companies registered in Australia are the following wholly-owned subsidiaries of APN:

- APN Outdoor Group Pty Ltd (ACN 155 848 589);
- APNO Finance Pty Ltd (ACN 155 849 611);
- APN Outdoor Pty Limited (ACN 008 637 661);
- Eastcott Investments Pty. Ltd. (ACN 010 923 485);

- Cody Link Pty Ltd (ACN 067 487 236);
- Valtoff Pty. Limited (ACN 067 345 073);
- Everfact Pty. Limited (ACN 067 516 287) in its own capacity and as trustee of the Everfact Unit Trust;
- APN Outdoor (Trading) Pty Ltd (ACN 059 604 278);
- Adspace Pty Ltd (ACN 095 671 702);
- TMS Outdoor Advertising Pty Limited (ACN 007 102 123);
- Nettlefold Advertising Pty. Ltd. (ACN 005 861 183) in its own capacity and as trustee of the Nettlefold Outdoor Advertising Unit Trust;
- National Outdoor Advertising Pty. Limited (ACN 001 165 108);
- Buspak Advertising Group Pty Ltd (ACN 001 899 690);
- Total Cab Media Pty Ltd (ACN 105 362 034);
- GSP Print Pty Ltd (ACN 007 701 411);
- Universal Outdoor Pty Limited (ACN 078 469 486);
- SOL Australia Pty Ltd (ACN 005 027 225);
- Australian Posters Pty. Ltd. (ACN 004 828 380);
- The Australasian Advertising Company Pty. Limited (ACN 004 031 896); and
- Taximedia Pty Ltd (ACN 004 827 454).

Directors' recommendation

In the opinion of the Directors, after taking into account the financial position of APN and the JV Companies (including future liabilities and contingent liabilities of the JV Companies and APN), the giving of any financial assistance by the JV Companies pursuant to the Funding documents is unlikely to materially prejudice the interests of APN or any JV Company or their respective shareholders, or the ability of APN and the JV Companies to pay their creditors.

As noted above, the Transaction is conditional on, among other things, the Funding being obtained and the shareholders of APN approving any financial assistance given in connection with the Funding and the Transaction.

Accordingly, the Directors recommend that shareholders vote in favour of the resolution.



APN NEWS & MEDIA LIMITED
ABN 95 008 637 643

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



By mail:
APN News & Media Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: 02 9287 0309



All enquiries to: Telephone: 1300 553 550
(Overseas): +61 2 8280 7142



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PROXY FORM

I/We being a member(s) of APN News & Media Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (not the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 4:00pm on Wednesday, 11 April 2012, at Level 27 AMP Centre, 50 Bridge Street, Sydney, New South Wales and at any adjournment or postponement of that meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of the resolution.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2

VOTING DIRECTIONS

Resolution 1 - Financial Assistance

To consider, and if thought fit, to pass the following resolution as a special resolution:

"That, in accordance with section 260B(2) of the *Corporations Act 2001* (Cth), the shareholders approve all elements of the transactions described and contemplated in the Explanatory Notes to the Notice of Extraordinary General Meeting which may constitute the giving of financial assistance by APN Outdoor Group Pty Ltd (ACN 155 848 589) and/or its subsidiaries."

For Against Abstain*

☐☐☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDER(S) - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder in accordance with the instructions overleaf.

APN PRX201



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes, your proxy may vote as he or she chooses. If you mark more than one box your vote will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the shareholder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of a corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **4:00pm on Monday, 9 April 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will be invalid.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE > www.linkmarketservices.com.au

Select the 'Proxy Voting' option on the top right of the home page. Choose 'APN News & Media Limited' from the drop down menu, enter your holding details as shown on this form, and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of this Proxy Form).



by mail:

APN News & Media Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

02 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138, or
Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Extraordinary General Meeting, please bring this form with you.
This will assist in registering your attendance.