



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

APN News and Media

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 \$98.32m for the half-year ended 30 June 2011. Revenues from ordinary activities were \$508.1m, in line with the same period last year. Basic and Diluted EPS was (16.1) cents compared to 6.6 cents last year. Net operating cash flow was \$53.77m compared to \$85.94m last year. The interim dividend declared was 3.5 cents compared with 5.0 cents last year.

27 January 2012

Recommendation

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

Investment Fundamentals

ASX code: APN
Stock price: \$0.75
Market cap: \$470m

	Y/E 31/12/2012	2011e	2012e	2013e	2014e
Reported e	\$m	-43.9	88.7	102.4	113.8
Adjusted e	\$m	76.2	88.7	102.4	113.8
EPS adjusted	¢	12.3	13.6	15.0	15.7
EPS growth	%	-28.5	10.9	9.9	5.2
PE	x	6.1	5.5	5.0	4.7
PE relative	x	0.4	0.5	0.5	0.6
DPS	¢	9.6	9.5	10.5	11.0
Yield	%	12.9	12.8	14.1	14.8
Franking	%	100.0	100.0	100.0	100.0

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	59.3	13.7	23.5	-53.0%	
Outdoor	21.6	9.6	14.9	-21.0%	
Broadcasting	19.0	12.6	29.5	-28.0%	
Corporate & other	0.1	-0.6	-74.6	-9.0%	
Total	100.0	35.3	-6.7		
Results by Geography				Dividend Reinvestment Plan	Yes
Australia	48.9	17.2	27.6	Shareholder Discounts	No
New Zealand	44.7	7.9	18.8		
Asia	6.4	18.4	13.0		
Total	100.0				

Company contact details:

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Disclosure: In accordance with Section 849 of the Corporations Law, Macquarie Equities Limited states that Macquarie and its affiliates collectively and beneficially own or control 1% or more of any class of APN News & Media Limited's equity securities.

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