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Company Announcements Office  
Australian Stock Exchange Limited  
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SYDNEY NSW 2000

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**FIRST QUARTER RESULTS**

Following are the first quarter results, as at 30 September 2009.

Yours faithfully

**For and on behalf of West Australian Newspapers Holdings Limited**

A handwritten signature in black ink, appearing to read 'Peter Bryant', written over a faint circular stamp.

**Peter Bryant  
Company Secretary**

**0417 559 117**

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## **WEST AUSTRALIAN NEWSPAPERS HOLDINGS LIMITED**

**A.B.N. 9 1 0 5 3 4 8 0 8 4 5**

### **WAN REPORTS A POSITIVE TREND IN QUARTERLY TRADING**

WAN today announced a profit after tax of \$22.9 million for the 3 months to 30 September 2009, down 22.9% on the \$29.6m recorded in the corresponding period last year.

The result reflects an improvement of 18.6% on the average of \$19.3 million recorded in the previous two quarters.

Commenting on the quarter's result, WAN CEO, Chris Wharton, said :

"We are seeing positive trends and, almost without exception, we have seen week-on-week growth since August.

"We are encouraged by the results for the quarter and remain optimistic that the Western Australian economy will continue to strengthen and that the Group is well placed to benefit from this growth.

"We have made progress by focusing on the basics of quality content, circulation, advertising and effective cost management. We have not, and will not, lose focus on their importance to the long term sustainability of the business.

"Despite the improving performance, relative to the past two quarters, our results continue to be below those of the boom revenue levels that prevailed during the corresponding period last year, and this is likely to continue for the remainder of the calendar year."

WANH GROUP SUMMARY	3 MONTHS TO 30 SEPTEMBER		
	2009/10 \$M	2008/09 \$M	Variance %
Earnings before Depreciation, Interest and Tax (EBITDA)	41.7	52.0	(19.9)
Depreciation	(5.2)	(5.1)	
Earnings before Interest and Tax (EBIT)	36.5	46.9	(22.2)
Net Interest Expense	(4.2)	(5.1)	
Earnings before Tax	32.3	41.8	(22.9)
Tax	(9.4)	(12.2)	
<b>Net Profit</b>	22.9	29.6	(22.9)
<b>Earnings Per Share (Cents)</b>	10.8	14.2	(22.9)

WANH BUSINESS UNIT RESULTS	3 MONTHS TO 30 SEPTEMBER		
	2009/10 \$M	2008/09 \$M	Variance %
<b>Revenue</b>			
The West Australian	73.2	88.4	(17.2)
The West Magazines	3.7	4.5	(16.7)
Digital Publishing	0.4	0.5	(22.9)
Regionals	11.2	12.9	(13.0)
Quokka	3.1	2.9	6.7
Radio	2.6	2.2	16.7
West Australian Publishers	0.4	1.0	(58.6)
Other	4.7	3.6	28.3
<b>TOTAL</b>	99.3	116.0	(14.4)
<b>Earnings before Interest and Tax (EBIT)</b>			
The West Australian	30.1	41.8	(27.9)
The West Magazines	1.0	1.5	(31.0)
Digital Publishing	(0.4)	(1.6)	73.8
Regionals	2.9	3.8	(24.0)
Quokka	1.3	1.0	31.0
Radio	1.2	0.6	86.6
West Australian Publishers	-	0.1	-
Community Newspaper (49.9%) <sup>1</sup>	0.7	1.4	(48.2)
Corporate Costs and Other	(0.3)	(1.7)	80.9
<b>TOTAL</b>	36.5	46.9	(22.2)
<sup>1</sup> Contribution After Tax			

## THE WEST AUSTRALIAN

Despite the positive trend in relation to the last two quarters, results remain down on the corresponding period last year.

EBIT for *The West Australian*, at \$30.1 million, was 27.9% below the corresponding period last year.

Total revenue was down 17.2% to \$73.2 million. Net advertising revenue down 21.0% to \$53.9 million and circulation revenue down 5.2% to \$16.8 million.

Total gross advertising in *The West Australian* was down 20.7% on the corresponding quarter last year, with a 14% decrease in volume and a 7% reduction in the average advertising rate per column centimetre, due to a change in the mix of business.

<b>GROSS ADVERTISING REVENUE GROWTH BY CATEGORY IN THE WEST AUSTRALIAN IN THE 3 MONTHS TO 30 SEPTEMBER 2009 COMPARED TO CORRESPONDING PERIOD LAST YEAR</b>	
	<b>Increase / Decrease %</b>
Display National	(9.4)
Display Local	(23.7)
<b>TOTAL DISPLAY</b>	<b>(18.9)</b>
Classifieds Real Estate	(33.0)
Classifieds Employment	(51.0)
Classifieds Motors	(3.0)
Classifieds Other	(0.2)
<b>TOTAL CLASSIFIEDS</b>	<b>(25.3)</b>
New Homes	14.6
<b>TOTAL GROSS ADVERTISING</b>	<b>(20.7)</b>

Net Circulation revenue in *The West Australian* was down by 5.2% on the corresponding quarter last year. Several factors contributed to the decline, including increased Distributor remuneration and reduced Saturday circulation.

Circulation numbers have remained strong, relative to the same quarter last year, noting that last year's numbers inflated by the Olympics.

<b>CIRCULATION COPIES SOLD</b>		
	Saturday Edition	Monday – Friday
Jul – Sept 08 ABC Audit	336,532	194,862
Oct – Dec 08 ABC Audit	336,287	192,964
Jan – Mar 09 ABC Audit	348,824	199,707
Apr – Jun 09 ABC Audit	343,460	196,761
Jul – Sep 09 Internal Data	329,911	195,211
% movement from Corresponding Quarter Last Year	-1.8%	+0.3%

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## EXPENSES

Expenses in *The West Australian* for the three months ended 30 September 2009 were 7.7% lower than for the corresponding period last year.

<b>EXPENSES IN THE WEST AUSTRALIAN 3 MONTHS TO 30 SEPTEMBER 2009</b>			
	<b>2009/10 \$M</b>	<b>2008/09 \$m</b>	<b>Variance %</b>
Total Personnel Costs	18.5	19.3	4.0
Newsprint	9.2	11.0	16.7
Distribution	3.8	4.1	7.5
Depreciation	4.5	4.5	(1.1)
Other	7.1	7.8	9.3
<b>TOTAL</b>	<b>43.1</b>	<b>46.7</b>	<b>7.7</b>
All variance percentages are based on full numbers not rounded numbers.			

Total personnel costs fell 4.0% to \$18.5 million, as some of the savings from the voluntary redundancy program were realised in this first quarter. As expected, the full extent of the savings will not be achieved until the third quarter of this financial year.

Newsprint expenses declined 16.7% to \$9.2 million, assisted by a 9.6% drop in paging.

Distribution expenses fell 7.5% to \$3.8 million, as a result of optimisation of road freight arrangements.

Other expenses fell 9.3% to \$7.1 million, reflecting ongoing tight management of costs.

## THE WEST MAGAZINES

EBIT in The West Magazines was down 31%, on the corresponding period last year, to \$1.0 million on a reduction in advertising revenue of 16.7%, to \$3.7 million.

## DIGITAL PUBLISHING

The Yahoo!7 relationship commenced part way during this quarter and the expected revenue gains will be achieved progressively. The cost savings have been largely achieved. Losses from the Digital publishing operation have been reduced by 73.8% to \$0.4 million for the quarter and are projected to cease by July next year.

## REGIONALS

With the exception of some northern papers, all regional products suffered from the downturn in employment and real estate classifieds, compared to last year. Revenue for the group fell 13% to \$11.2 million, with EBIT down 24% to \$2.9 million.

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## **QUOKKA**

Quokka enjoyed a buoyant quarter, with circulation copies up 8% to 52,000, and advertising revenue up 6.3% to \$1.9 million. Expenses were 5.4% below last year and EBIT increased 31% to \$1.3 million.

## **RADIO**

Trading conditions were more difficult than the prior year, but the result was aided by a small property sale profit.

## **COMMUNITY NEWSPAPERS (49.9%)**

Net profit after tax fell 48% to \$0.7 million, although there is evidence of an improving trend.

For further information:

Mr Chris Wharton  
Chief Executive Officer

Mr Peter Bryant  
Company Secretary

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# West Australian Newspapers Holdings Limited

## Report on the results for the three months ended 30 September 2009

	Current period \$A'000	Previous corresponding period \$A'000
<b>Consolidated income statement</b>		
1.1 Revenue from continuing operations (net of commissions, discounts and rebates) (item 1.11)	98,839	116,198
1.2 Other income (item 1.12)	517	47
1.3 Expenses excluding finance costs (item 1.13)	(62,844)	(70,286)
1.4 Finance costs	(4,997)	(5,560)
1.5 Share of net profit of associate accounted for using the equity method	747	1,442
<b>1.6 Profit before income tax</b>	<b>32,262</b>	<b>41,841</b>
1.7 Income tax expense (item 1.14)	(9,395)	(12,187)
<b>1.8 Profit attributable to ordinary equity holders</b>	<b>22,867</b>	<b>29,654</b>

	Current period	Previous corresponding period
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>		
1.9 Basic earnings per share	10.9 cents	14.4 cents
1.10 Diluted earnings per share *	10.8 cents	14.2 cents

\* Diluted due to shares relating to outstanding loans pursuant to the executive and employee share plans treated as options under AIFRS.

# West Australian Newspapers Holdings Limited

## Report on the results

for the three months ended 30 September 2009

	Current period \$A'000	Previous corresponding period \$A'000
<b>Revenue and expenses</b>		
<b>Revenue from continuing operations</b>		
<i>Sales revenue</i>		
Advertising	71,589	89,195
Circulation	19,429	20,695
Commercial printing	3,904	2,636
Rendering of services	2,794	2,333
Other	892	968
	<b>98,608</b>	<b>115,827</b>
<i>Other revenue</i>		
Interest revenue	109	250
Rents	122	121
	<b>231</b>	<b>371</b>
<b>1.11 Revenue from continuing operations (item 1.1)</b>	<b>98,839</b>	<b>116,198</b>
<b>Other income</b>		
<b>Net gain on disposal of property, plant and 1.12 equipment (item 1.2)</b>	<b>517</b>	<b>47</b>
<b>Expenses excluding finance costs</b>		
Depreciation	(5,232)	(5,128)
Editorial contributions	(702)	(955)
Electricity	(497)	(486)
Maintenance agreements	(656)	(1,187)
Marketing and promotion expenses	(867)	(1,649)
Newsprint consumed	(13,910)	(15,268)
News services	(718)	(740)
Personnel costs including payroll tax	(27,794)	(30,085)
Raw materials and consumables used (excluding newsprint)	(2,412)	(2,732)
Repairs and maintenance	(690)	(698)
Road and air freight	(4,544)	(4,886)
Telephones	(352)	(359)
Other expenses from ordinary activities	(4,470)	(6,113)
<b>1.13 Expenses excluding finance costs (item 1.3)</b>	<b>(62,844)</b>	<b>(70,286)</b>



# West Australian Newspapers Holdings Limited

## Report on the results for the three months ended 30 September 2009

	Current period \$A'000	Previous corresponding period \$A'000
<b>Income tax expense</b>		
The numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Profit before income tax expense (item 1.6)	32,262	41,841
Tax at the Australian tax rate of 30%	(9,679)	(12,552)
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:		
Building construction allowance	172	102
Non-deductible depreciation and amortisation	(130)	(93)
Non-deductible expenses	(141)	(77)
Share of net profit of associate	224	433
	(9,554)	(12,187)
Previously unrecognised tax losses now recouped to reduce current tax expense	159	-
<b>1.14 Income tax expense (item 1.7)</b>	<b>(9,395)</b>	<b>(12,187)</b>

### Dividends paid

2.1 Final dividend of 10 cents (previous corresponding period - 32 cents) per share, fully franked based on tax paid at 30%, paid on 30 September 2009 (previous corresponding period - 30 September 2008)	21,071	66,244
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### Control gained over entities during the current period

3.1 There was no control gained over entities having material effect during the current period.

### Loss of control of entities having material effect during the current period

3.2 There was no loss of control of entities having material effect during the current period.

### Segment reporting

4.1 Refer commentary attached to this report.

### Commentary on Group results

5.1 Refer commentary attached to this report.

### Basis of financial report preparation

5.2 This report should be read in conjunction with the last annual report and any announcements to the market made by the Consolidated Entity during the period. This report does not include all the notes of the type normally included in an annual report. Comparative information is reclassified where appropriate to enhance comparability.

### Changes in accounting policies since the last annual report

5.3 There have been no changes in accounting policies since the last annual report affecting this report.

### Compliance statement

- 6.1 This report has been prepared in accordance with the recognition and measurement requirements of Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.
- 6.2 This report, and the accounts upon which the report is based, use the same accounting policies.
- 6.3 This report does give a true and fair view of the matters disclosed.
- 6.4 This report is based on accounts which have not been audited or reviewed.
- 6.5 The Entity has a formally constituted audit committee.

This report was approved by resolution of the Board of Directors on 3 November 2009.



P.J. Bryant  
Company Secretary

3 November 2009