

SE Business
 HD APN to flex cash muscle in M&A
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 APN News & Media plans to pursue merger and acquisition opportunities in the media sector after strengthening its balance sheet. It is confident revenues would continue to grow despite soft conditions in the advertising market.

Chief executive Michael Miller revealed that the publishing, radio and outdoor advertising firm had the flexibility to buy companies after it pushed back significant debt maturities until January 2018.

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The company also refinanced debt facilities due to mature next year and 2016 with a new facility of \$630 million.

"We're always open to M&A, not just divestments but also acquisitions," Mr Miller told The Australian after a busy year in which he restructured the company and took full control of its radio operations, Hong Kong outdoor business and sold its half share in APN Outdoor.

"We anticipate there are a number of trade sales and IPO considerations in the market at the moment and while we are not having discussions with any of them I think we will keep a close eye and see whether there are opportunities for us." APN lifted its half-year profit 77 per cent to \$22.6m, with the performance boosted by strong revenue from radio acquisitions.

The company bought full control of its Australian Radio Network and New Zealand's The Radio Network in February.

The ARN business achieved strong second quarter revenue growth after it improved audience share following investments in KIIS 1065 and the Classic Hits Pure Gold network. High-rating breakfast duo Kyle and Jackie O defected to KIIS from rival Southern Cross Austereo in January.

APN's revenue from continued operations for the six months to June 30 was up 3 per cent to \$405.9m. Shares in APN fell 2.58 per cent, or 20 cents, to 76c, as investors remained bearish on publishing assets.

Revenues in regional publishing declined 8 per cent to \$99m, but Mr Miller said the operational performance was stabilising. He added that the local advertising market response had recovered, with national advertising demand the only missing piece in the puzzle. "What's really encouraging is that revenues from local advertisers are only down 2 per cent year-on-year so in terms of the local markets it's hitting the mark." APN recently announced a printing facility sharing arrangement with Fairfax Media and Mr Miller said he was having talks about similar deals with Fairfax and News Corp Australia. "We're having positive discussions on opportunities together on both sides of the Tasman," he said.

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