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**MORGAN STANLEY
ASIA PACIFIC SUMMIT**

INVESTOR PRESENTATION

HONG KONG AND SINGAPORE, 12-14 NOVEMBER 2013

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CHIEF EXECUTIVE OFFICER**

Fairfax Media

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Future performance

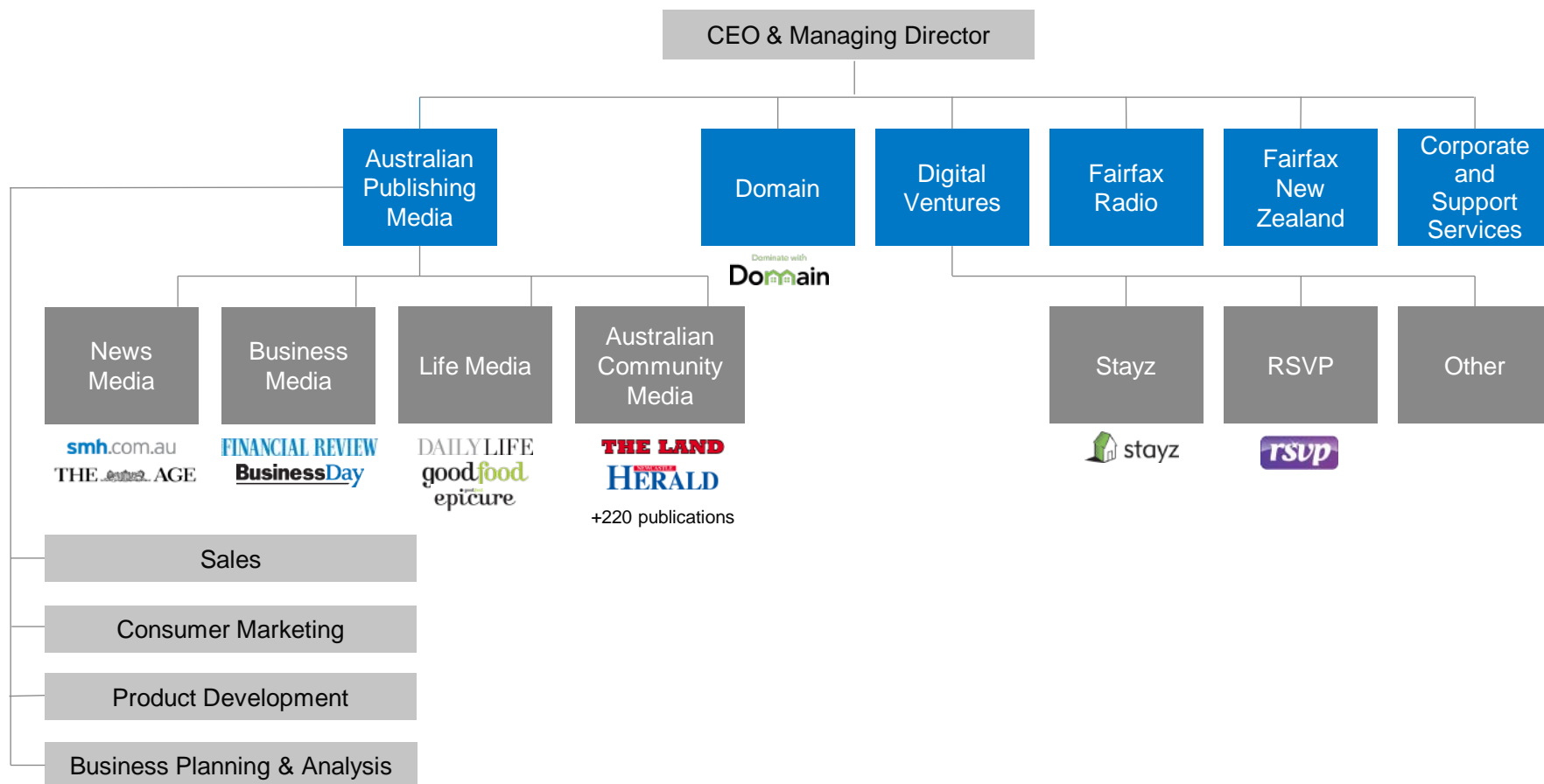
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Fairfax Media Overview

- Included in ASX 200 Index (FXJ.AX) with market cap of A\$1.3bn (at 7 November 2013)
- Media business operating across Australia and New Zealand with simplified organisational structure
- 400+ publications, 300+ websites, 7 radio stations, 100 apps



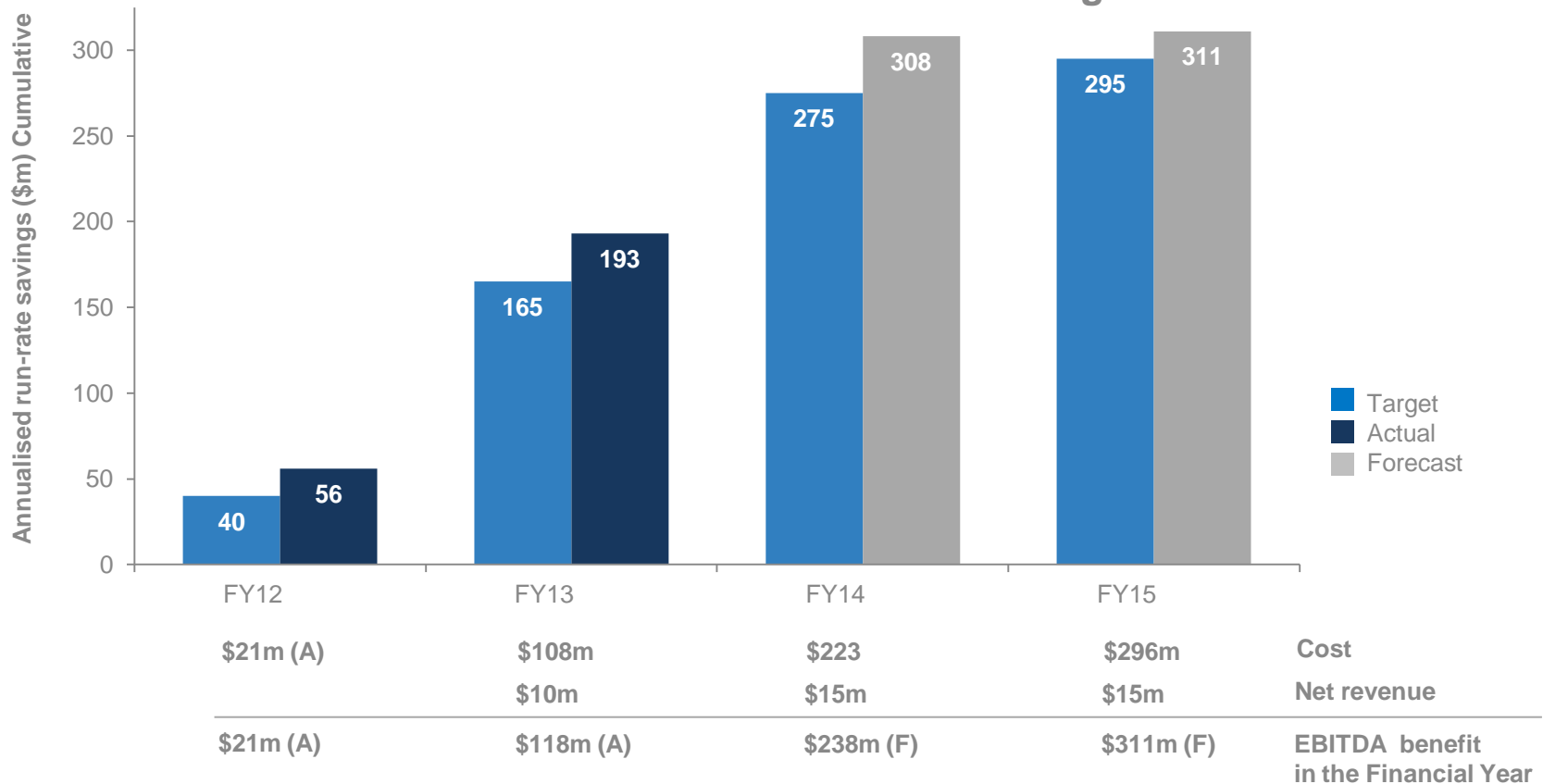
Balance Sheet Strengthening

	Actual Jun 13	Actual Dec 12	Actual Jun 12	Covenant
Net Debt (\$m)	154	197	914	
EBITDA (last 12 months) (\$m)	366	440	506	
Net Debt to EBITDA (x)	0.4	0.4	1.8	< 4.0
Net interest (last 12 months) (\$m)	57	85	112	
EBITDA to net interest (x)	6.4	5.2	4.5	> 3.25

- Net debt reduced by \$760m to \$154m.
- Well within our banking covenants.
- Redemption of \$270m of US Private Placement (USPP) notes in July 2013.

Restructuring Program Driving Cost Savings

Fairfax of the Future Annualised Savings



- Expected cost base for FY14 of approximately \$1,600m after adjusting for inflators and the impact of investment in revenue adjacencies.
- Total annualised run-rate savings of \$193m achieved to June 2013.
- FY13, FY14, FY15 savings targets increased to reflect additional cost savings announced 6 June 2013.
- Fairfax of the Future cost savings anticipated to benefit FY14 cost base by \$100m to \$120m.

FY13 Performance Impacted by Difficult Revenue Trends

	Trading Performance excluding significant items	Less Entities Disposed	Trading Performance for continuing businesses	Trading Performance for continuing businesses	Change
	FY2013			FY2012	
	\$m	\$m	\$m	\$m	%
Total revenue	2,074.2	79.6	1,994.6	2,118.7	(5.9%)
Associate profit/(loss)	(2.2)	-	(2.2)	1.7	(231.7%)
Expenses	(1,705.9)	(29.2)	(1,676.7)	(1,707.0)	1.8%
Operating EBITDA	366.0	50.4	315.7	413.5	(23.7%)
Depreciation and amortisation	(103.9)	(3.2)	(100.6)	(102.7)	2.0%
EBIT	262.2	47.2	215.0	310.8	(30.8%)
Net interest expense	(57.1)	(2.1)	(55.0)	(109.7)	49.9%
Net profit before tax	205.1	45.1	160.0	201.0	(20.4%)
Tax (expense)/benefit	(61.7)	(10.0)	(51.7)	(49.3)	(4.8%)
Net Profit after Tax from continuing operations	143.5	35.1	108.3	151.7	(28.6%)
Net Profit after Tax from discontinued operations	-	-	-	-	-
Net profit after tax	143.5	35.1	108.3	151.7	(28.6%)
Net profit attributable to non-controlling interest	(15.5)	(14.5)	(1.0)	(6.6)	85.4%
Net profit attributable to members of the Company	128.0	20.6	107.4	145.1	(26.0%)
Earnings per share	5.4		4.6	6.2	

- FY13 includes 53 weeks versus 52 weeks in FY12.
- Entities divested include Trade Me Group, US Agricultural and Victorian Community publications.

Extensive Cross-Platform Audience Reach of Fairfax Media: 1 in 2 Australians aged 14+

Print



6.0 million
print readers

5.2 million
readers of national and
metro newspapers

2.5 million
readers of inserted
magazines

1.1 million
readers of regional
newspapers*

Web



5.8 million
visit websites

4 million
visit news websites

3.7 million
national and metro
news websites

970,000
regional news
websites

Mobile/Tablet



1.8 million
use news sites or apps on
mobile or tablet device

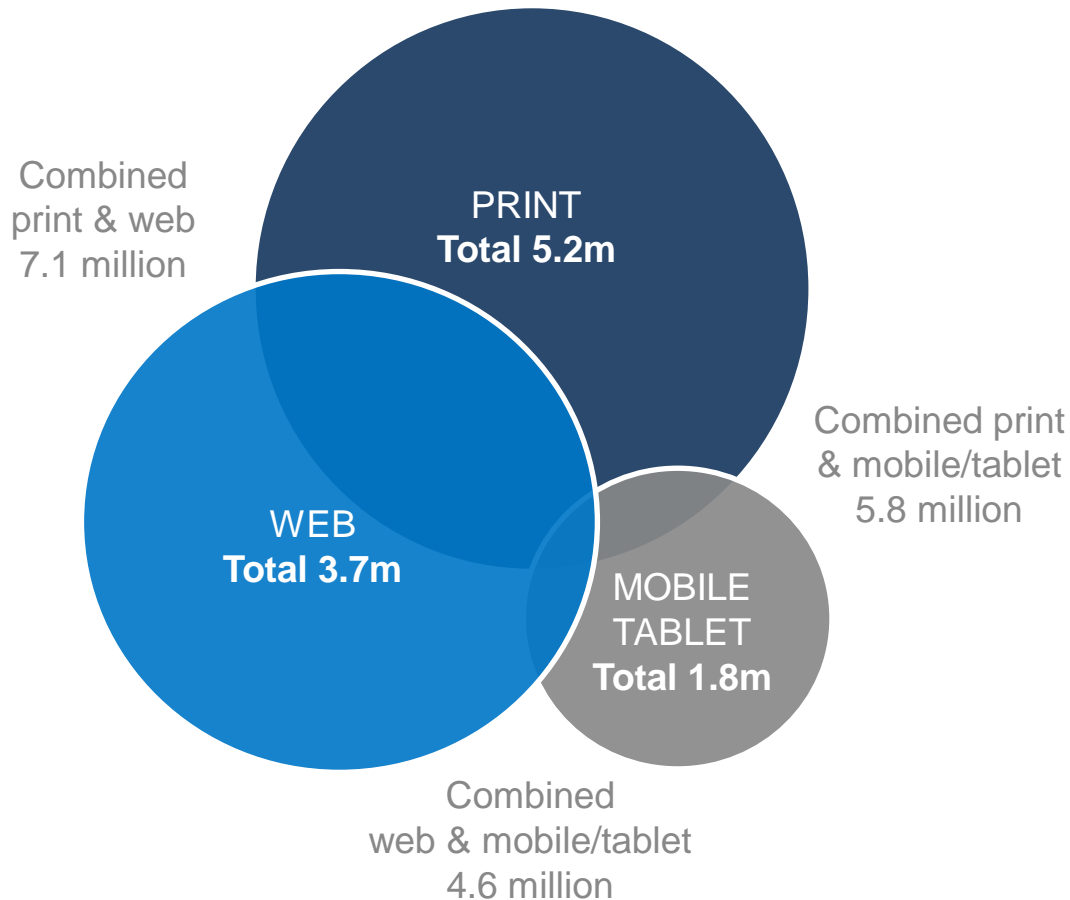
1.1 million
access news on a tablet

1.1 million
access news on a mobile

9.6 million de-duplicated audience

Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending June 2013, Nielsen Online Ratings June 2013, people 14+ only. Last four weeks.
* Not all Fairfax mastheads included in initial survey.

Fairfax's National and Metro Mastheads reach 7.5 million Australians across Platforms

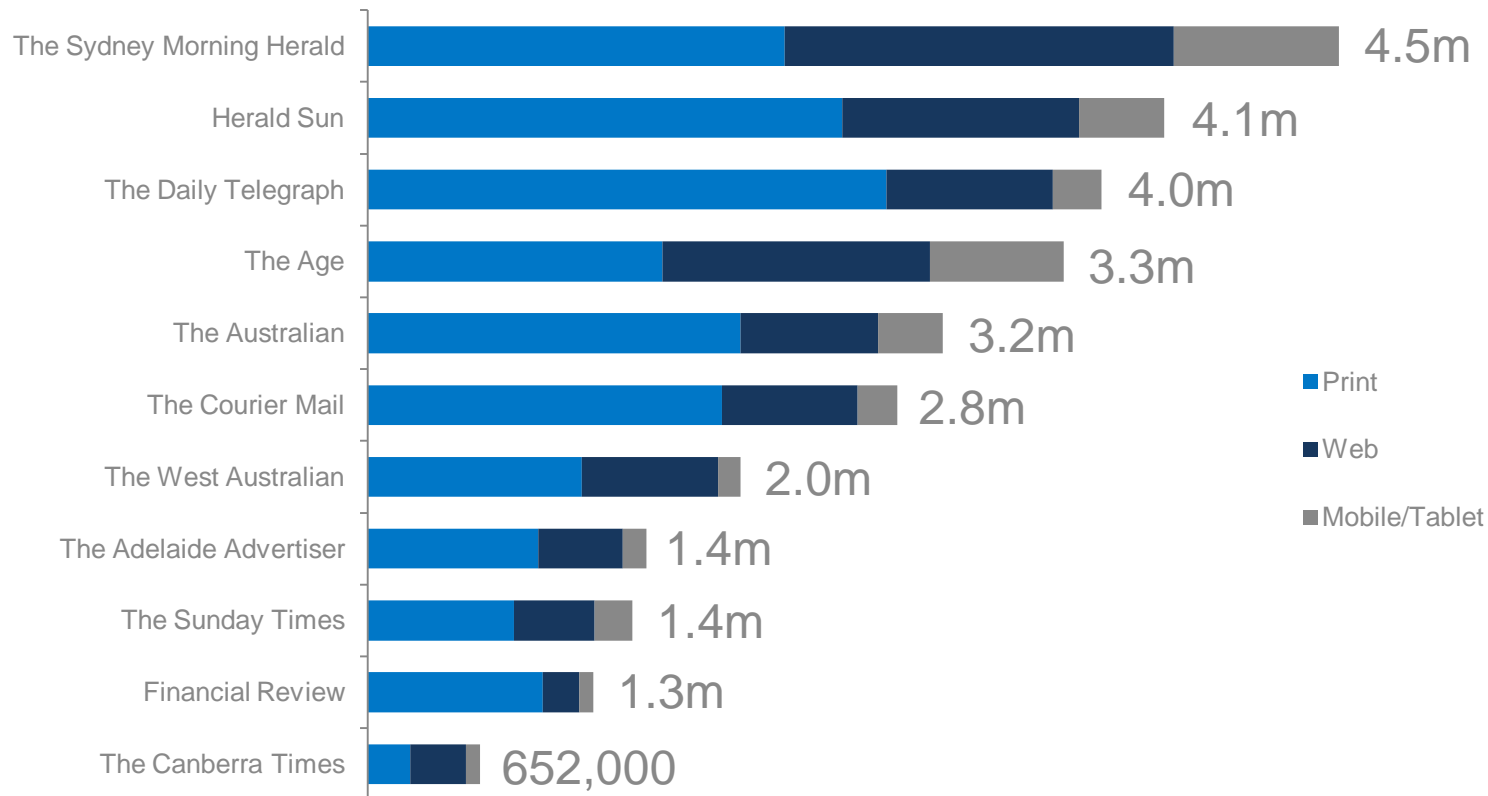


New industry readership survey, Enhanced Media Metrics Australia (emma), provides:

- Focus on readership
- Improved survey methodology and increased frequency
- Cross-platform measurement (print, website, mobile/tablet)
- Highly accurate and accessible audience insights/data for advertisers
- Sectional readership information
- Consumer segmentation
- Integration with advertising agency systems
- Global best practice

Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending June 2013, Nielsen Online Ratings June 2013, people 14+ only (Fairfax National and Metro mastheads = total masthead readership for AFR, SMH, The Age, Canberra Times, web/mobile usage Brisbane Times, web usage WAToday). Last four weeks.

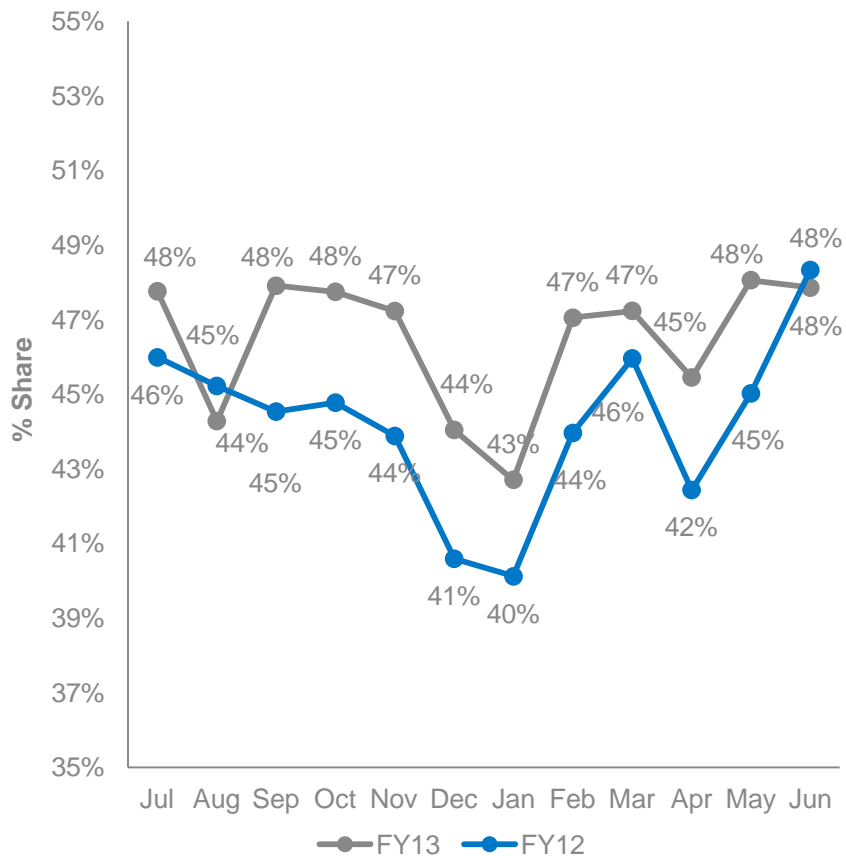
The Sydney Morning Herald is Australia's No. 1 Masthead by Total Audience



Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending June 2013, Nielsen Online Ratings June 2013, people 14+ only. Total masthead audience numbers are de-duplicated.

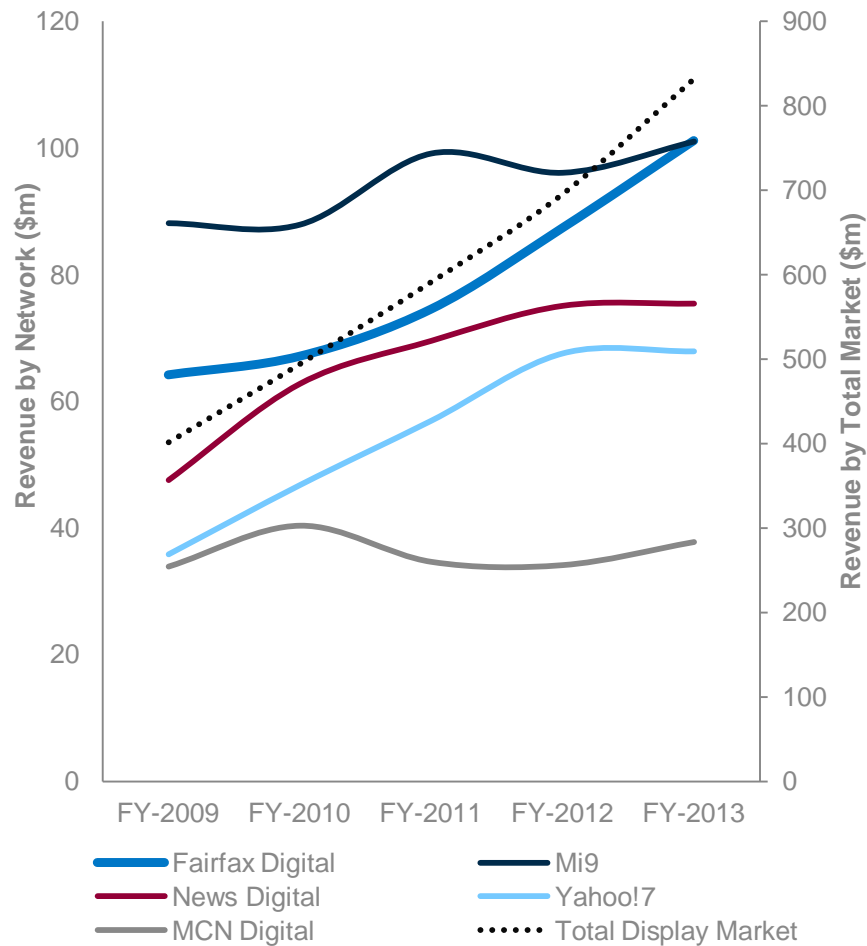
Advertising Market Share Gains

Fairfax Media Market Share versus News Corp Australia



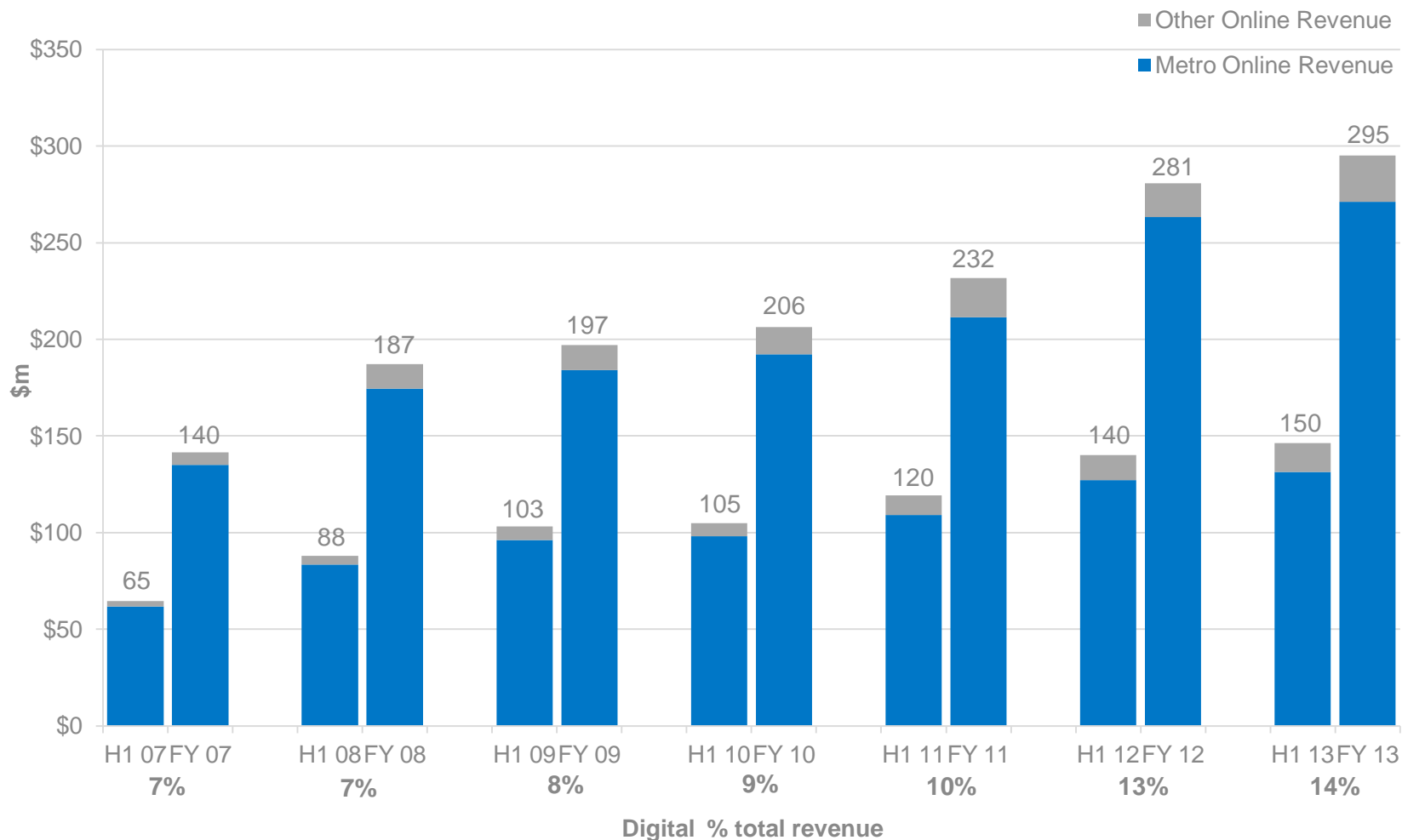
Source: SMI, June 2013. Includes National, Metro (NSW & VIC) Newspapers, NIMs, Digital

Online Display Market Revenue



Source: SMI, June 2013

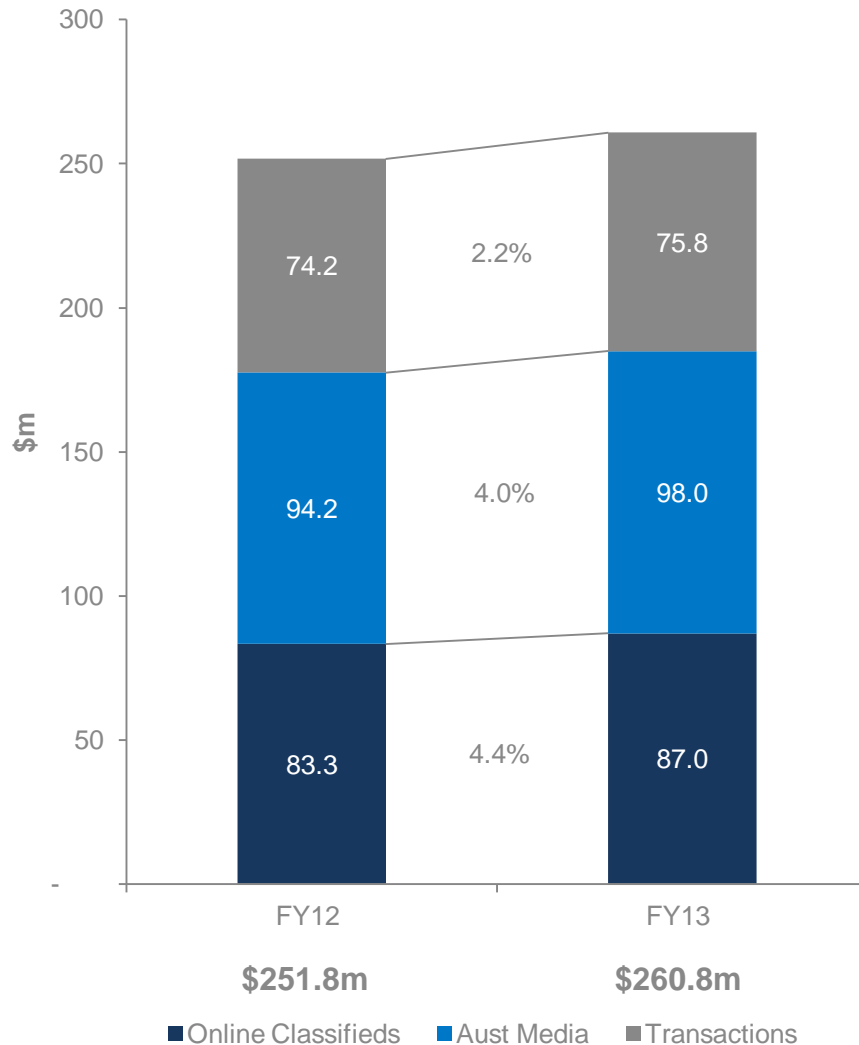
Group Digital Revenue Growth



- Metro digital revenue includes Australian national and metropolitan news sites, online classifieds and transaction sites on tablet, mobile and online platforms. Other digital revenue includes Regional, New Zealand and Broadcasting. Group digital revenue excludes Trade Me and US Ags.

Metropolitan Media Digital Revenue Profile

Metro Digital – News and Transactions Revenue














- Stayz 10% growth in FY13 offset by more competitive environment for RSVP
- FY13 growth rate affected by diversion of inventory to support internal digital businesses and partnerships
- Domain revenue growth of 16%
- Drive and MyCareer repositioned to focus on content and display

Early Success with Digital Subscriptions

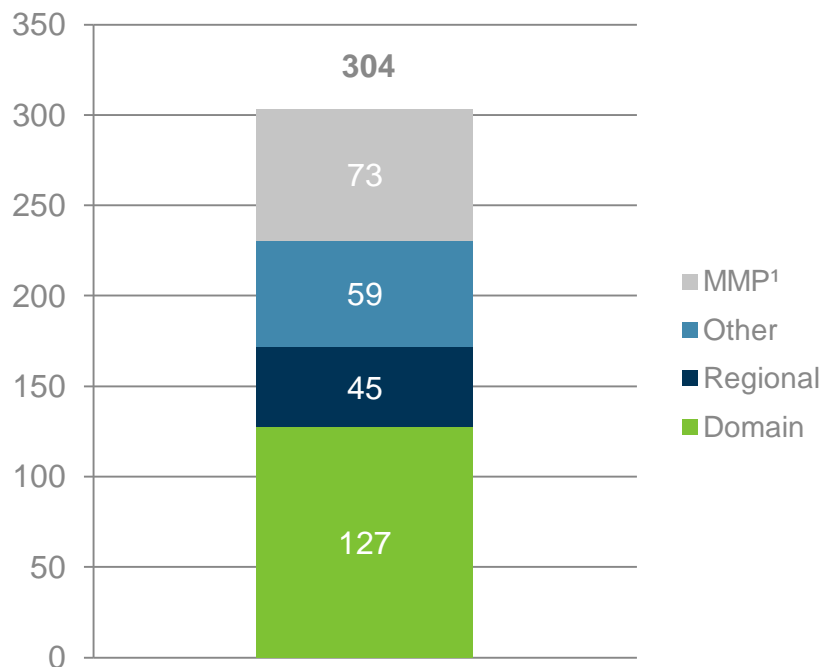
- **Successful domestic launch of metered model for The Sydney Morning Herald and The Age on 2 July 2013.**
- **86,000+ paid digital subscribers, tracking ahead of expectations (as at 4 November 2013).**
- **102,000+ existing print subscribers signed up for digital access (as at 4 November 2013).**
 - Website (desktop, tablet browser, smartphone):
 - 30 free articles per month
 - Deliberately porous
 - Meter applies to articles only
 - Meter does not apply to other assets including Daily Life, Good Food, Essential Baby, Essential Kids, Brisbane Times, Canberra Times, WAToday, Domain and Drive.
 - iPad and Android apps:
 - Freemium model
 - Free sections include Front Page, Editor's Choice, Daily Life, Good Food, Photos, Videos, Domain and Drive.

Digital Subscription Pricing and Bundling

	Bundles	Products	Monthly price
1	Web-only – desktop and m-site	 + 	\$15
2	Standalone app		\$21.99
3	All digital	 +  + 	\$25
4	Digital + Weekend	 +  +  + 	\$25
5	Digital + Full Week	 +  +  + 	\$44

Fairfax Media had Exposure to \$300m+ of Real Estate Advertising & Services in FY13

Fairfax Media's exposure to real estate advertising & services in FY13 (\$m)



- **Domain includes:**
 - Domain metro digital and print
 - Australian Property Monitors (APM)
 - Commerce Australia (CA)
- **Regional is:**
 - Primarily print revenues
 - Growing online and operationally now more aligned with Domain
- **Other includes FCN NSW, Ags and Commercial Real Estate**
- **MMP is a 50% unconsolidated JV**

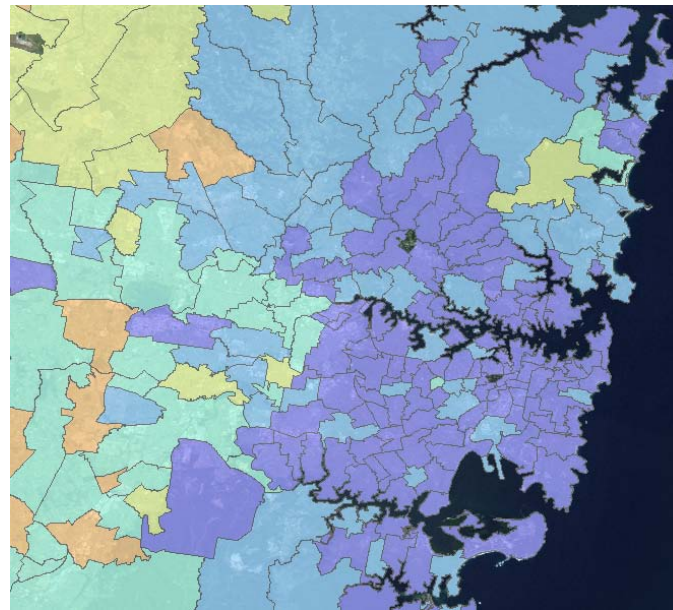
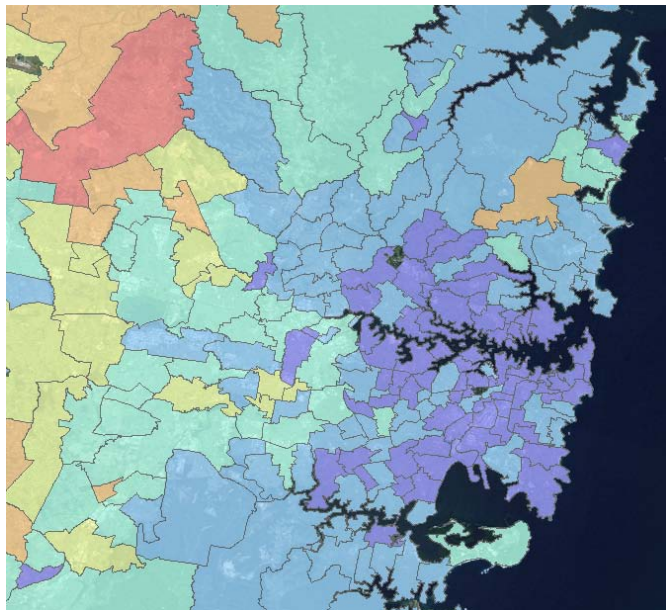
Note: Total revenue for MMP, including Fairfax's former FCN Victoria business. Includes some non-real estate advertising
The JV with MMP was not completed until the start of FY13 and is not consolidated for revenue reporting – data shown for presentational purposes only

Domain has Gained Digital Listings Market Leadership in Many Valuable Sydney Suburbs

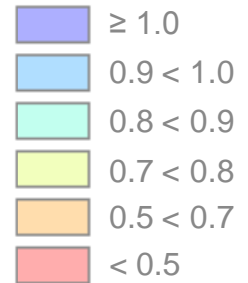
Domain's relative market share of digital listings in Sydney¹

November 2010 to April 2011

November 2012 to April 2013



Key:

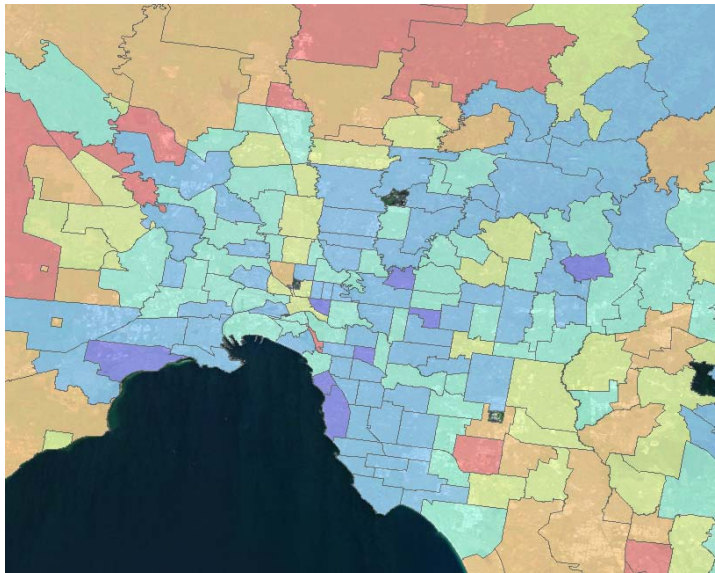


Note: 1) Relative market share versus competitors. Sale listings only. Monthly average using APM data;
Source: Australian Property Monitors (APM); ABS postcode boundaries

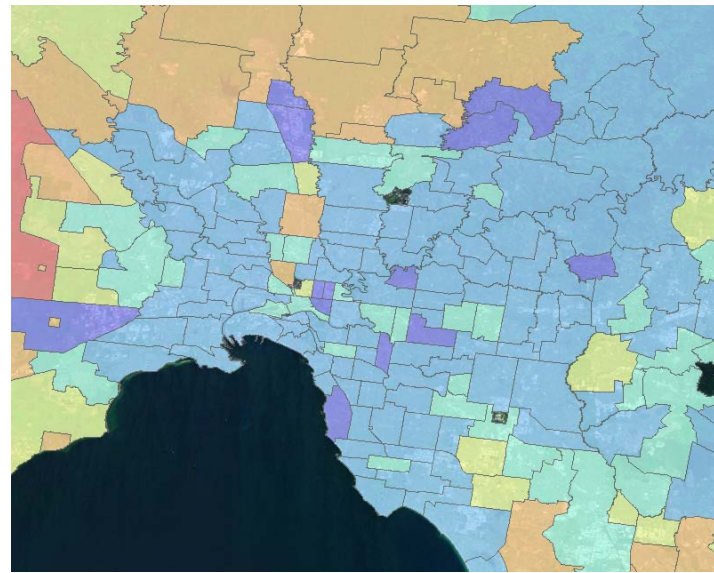
Domain is Challenging for Digital Listings Leadership in Most Melbourne Central Suburbs

Domain's relative market share of digital listings in Melbourne¹

November 2010 to April 2011



November 2012 to April 2013



Key:



Note: 1) Relative market share versus competitors. Sale listings only. Monthly average using APM data;
Source: Australian Property Monitors (APM); ABS postcode boundaries

Metropolitan Media – Domain

Domain Metro Print (The Sydney Morning Herald, The Age and The Canberra Times) and Digital (Domain online, Australian Property Monitors and Commerce Australia)

	FY13 A\$m	FY12 A\$m	% change
Advertising - Print	50.1	74.3	(32.6%)
Advertising - Digital	77.2	66.4	16.3%
Total Revenue	127.3	140.7	(9.5%)
Costs	(85.8)	(96.1)	(10.7%)
EBITDA	41.5	44.6	(7.0%)
EBITDA - Print	12.1	22.1	(45.2%)
EBITDA - Digital	29.4	22.5	30.7%
Margin - Print	24.2%	29.7%	(18.8%)
Margin - Digital	38.1%	33.9%	12.4%

- Domain has 7,729 agent subscribers, growth of 21% versus prior year, and approximately 78% market penetration.
- EBITDA margin of 33%.
- Digital growth accelerating whilst print structural change continues. Domain digital EBITDA (excluding Australian Property Monitors and Commerce Australia) up 33% on prior year.
- Domain digital revenues up 16.3% with 18.6% increase in H2 FY13 due to strong performance in depth products.

Stayz Business Profiting from Market Leadership

For Guests

The screenshot shows the Stayz website's search interface. At the top, there's a search bar with the question "Where would you like to stay?" and options for "Australia & New Zealand" and "International". Below this is a location input field with "c/o Byron Bay" entered, and check-in/out date pickers. A map of Australia is visible on the right. The search results page shows a featured holiday home, "Ripley - 2012 National Winner Sta...", with a price range of \$700 to \$1300 per night. Below the listing is a "Price and availability" calendar for May 2013, showing rates for various dates.

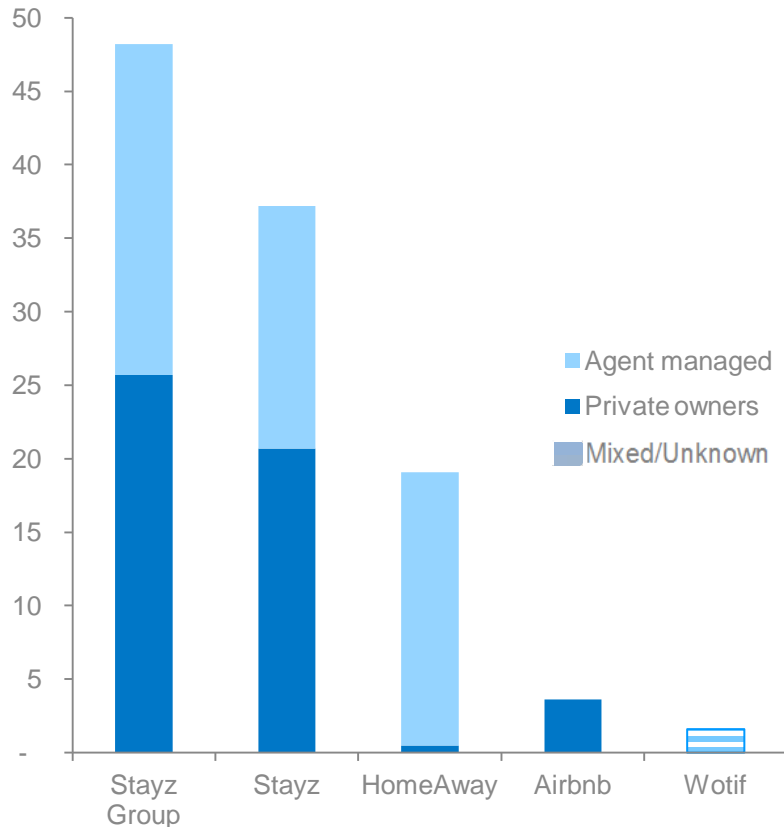
For Property Owners

The screenshot displays the Stayz admin dashboard for a property owner. The top navigation bar includes "Home", "Bookings", "Property Details", "Pricing", "Promotions & Products", and "Reports". The main section is titled "Property Pricing" and includes a "Tariffs & Calendar" tab. Below this is a table for "All Tariffs" with columns for days of the week and pricing. The "Booking Calendar" section shows a monthly calendar for May 2013, with a table of dates and availability. The calendar includes options to show holidays for NSW and to clear selection.

Stayz has Competitive Advantage in Listings and Audience

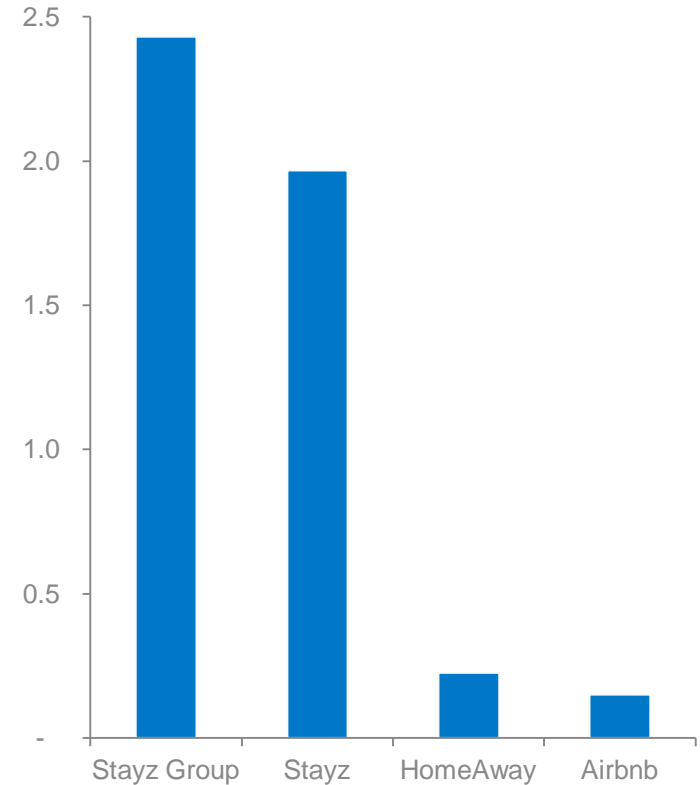
Australian listings (April 2013)

Thousands of entire homes



Monthly visits (April 2013)

In millions



Note: "Stayz Group" represents de-duplicated view of Stayz + RAH + TAB; "Stayz" represents Stayz.com.au site alone
Sources: Fairfax; Hitwise; HomeAway, Airbnb, Wotif websites



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Building New Revenue around Core Business

Events

- Current activities generate more than \$25m in revenue
- Our events leverage our audiences and capabilities.



Content Marketing

- Around 25% of Australian marketing budgets currently allocated to content marketing
- Growing 20% annually
- Established under a new brand distinct from our editorial brands.

SME Digital and Marketing Services

- Leverage our local sales network and relationships
- Services already provided to 4,000 SME clients
- Current regional spend on marketing services estimated at \$290-\$390m.



Data

- Audience insights will drive revenue and deliver increased advertising yields.

Current Trading (at 7 November 2013)

- FY14 year-to-date overall group revenues for continuing businesses are down 6% compared to the prior year.
- No sustained uplift in post-election advertising environment.
- Across our current reporting segments, Metro Media and Regionals are down around 9% and 10% respectively, New Zealand is up 7% including currency benefit, and Broadcasting is in line with last year.
 - Domain's overall revenue is up 4%, with its total digital business up 32%, and digital listings business up 36%.
- In line with previous guidance, on the current run rate of cost reduction, inflators and current reinvestment plans, we expect to deliver costs in the vicinity of \$1,600m in FY14.

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APPENDICES

Group Trading Performance FY13

	Reported 4D	Add Trade Me	Less Significant item	Trading Performance excluding significant items	Trade Me	Other Entities Disposed	Less Entities Disposed	Trading Performance for continuing businesses
30 June 2013	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total revenue	2,033.8	60.2	(19.8)	2,074.2	(60.2)	(19.4)	(79.6)	1,994.6
Associate profit/(loss)	(2.2)	-	-	(2.2)	-	-	-	(2.2)
Expenses	(2,150.8)	(15.4)	460.3	(1,705.9)	15.4	13.8	29.2	(1,676.7)
Operating EBITDA	(119.2)	44.8	440.5	366.0	(44.8)	(5.6)	(50.4)	315.7
Depreciation and amortisation	(100.8)	(3.1)	-	(103.9)	3.1	0.1	3.2	(100.6)
EBIT	(220.0)	41.7	440.5	262.2	(41.7)	(5.5)	(47.2)	215.0
Net interest expense	(55.0)	(2.1)	-	(57.1)	2.1	-	2.1	(55.0)
Net profit/(loss) before tax	(274.9)	39.6	440.5	205.1	(39.6)	(5.5)	(45.1)	160.0
Tax (expense)/benefit	(37.9)	(11.2)	(12.6)	(61.7)	11.2	(1.2)	10.0	(51.7)
Net Profit/(loss) after Tax from continuing operations	(312.9)	28.4	427.9	143.5	(28.4)	(6.7)	(35.1)	108.3
Net Profit after Tax from discontinued operations	311.9	(28.4)	(283.4)	-	-	-	-	-
Net profit/(loss) after tax	(1.0)	-	144.5	143.5	(28.4)	(6.7)	(35.1)	108.3
Net profit attributable to non-controlling interest	(15.5)	-	-	(15.5)	-	14.5	14.5	(1.0)
Net profit/(loss) attributable to members of the Company	(16.4)	-	144.5	128.0	(28.4)	7.8	(20.6)	107.4
Earnings per share	(0.7)			5.4				4.6

Group Trading Performance FY12

	Reported 4D	Add Trade Me	Less Significant item	Trading Performance excluding significant items	Trade Me	Other Entities Disposed	Less Entities Disposed	Trading Performance for continuing businesses
30 June 2012	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total revenue	2,214.5	113.6	-	2,328.1	(113.6)	(95.7)	(209.3)	2,118.7
Associate profit/(loss)	1.3	0.4	-	1.7	(0.4)	0.4	-	1.7
Expenses	(4,860.4)	(28.0)	3,064.6	(1,823.8)	28.0	88.8	116.8	(1,707.0)
Operating EBITDA	(2,644.6)	86.0	3,064.6	506.0	(86.0)	(6.5)	(92.5)	413.5
Depreciation and amortisation	(103.5)	(4.0)	-	(107.5)	4.0	0.8	4.8	(102.7)
EBIT	(2,748.1)	82.0	3,064.6	398.5	(82.0)	(5.8)	(87.8)	310.8
Net interest expense	(109.7)	(2.0)	-	(111.7)	2.0	0.0	2.0	(109.7)
Net profit/(loss) before tax	(2,857.8)	80.0	3,064.6	286.8	(80.0)	(5.8)	(85.8)	201.0
Tax expense/(benefit)	73.0	(21.0)	(126.8)	(74.8)	21.0	4.4	25.4	(49.3)
Net Profit/(loss) after Tax from continuing operations	(2,784.8)	59.0	2,937.8	212.0	59.0	(1.3)	(60.3)	151.7
Net Profit after Tax from discontinued operations	59.0	(59.0)	-	-	-	-	-	-
Net profit/(loss) after tax	(2,725.8)	-	2,937.8	212.0	59.0	(1.3)	(60.3)	151.7
Net profit attributable to non-controlling interest	(6.6)	-	-	(6.6)	-	-	-	(6.6)
Net profit/(loss) attributable to members of the Company	(2,732.4)	-	2,937.8	205.4	59.0	(1.3)	(60.3)	145.1
Earnings per share	(116.2)			8.7				6.2

FY13 Results by Reporting Segment

FY13 Results (excluding significant items)

	Revenue			EBITDA		
	FY13 A\$m	FY12 A\$m	% change	FY13 A\$m	FY12 A\$m	% change
Metropolitan Group	993.7	1,130.6	(12.1%)	99.0	125.1	(20.9%)
Regional Media	572.8	634.5	(9.7%)	170.4	204.4	(16.6%)
Trade Me	60.2	114.0	(47.2%)	44.8	86.0	(48.0%)
New Zealand Media	337.6	344.9	(2.1%)	62.3	72.1	(13.6%)
Broadcasting	105.1	97.2	8.2%	17.8	13.9	28.1%
Corporate and Other	2.5	8.7	(71.4%)	(28.3)	4.4	(736.1%)
Total	2,071.9	2,329.8	(11.1%)	366.0	506.0	(27.7%)
NZ Businesses in local currency						
Trade Me (NZ\$)	76.6	143.6	(46.6%)	57.0	110.3	(48.3%)
New Zealand Media (NZ\$)	421.6	442.4	(4.7%)	77.8	91.7	(15.1%)

Metropolitan Media

Financial Review Group, Sydney, Melbourne & Canberra Metro Newspapers and Magazines, Community Publications, Classifieds and Australian News and Transaction Sites

	A\$m	A\$m	change	
Advertising	633.6	802.8	(21.1%)	Underlying Advertising (14.4%)*
Circulation	221.8	189.0	17.4%	
Other	140.5	138.5	1.4%	Underlying Circulation 5%*
Total Revenue	995.9	1,130.3	(11.9%)	Underlying Revenue (9.5%)*
Associate profit/(loss)	(2.2)	0.2		
Costs	(917.6)	(1,028.1)	10.7%	Underlying Costs 7.5%*
EBITDA	76.1	102.5	(25.7%)	
Print Contribution	22.9	22.7	0.9%	
Adjusted EBITDA	99.0	125.1	(20.9%)	
Adjusted EBIT	48.8	72.6	(32.8%)	
Margin	7.6%	9.1%	(15.7%)	
Adjusted Margin	9.9%	11.1%	(10.2%)	

- Associate profit/loss includes share of earnings/losses from associates and joint ventures. Underlying profits of \$0.6m are offset by a 50% joint venture share of a non-recurring impairment (\$2.8m) to mastheads which were closed in H2 FY13.

* Underlying adjustments relate to (1) Victorian Community publications and (2) Circulation revenue benefit and distribution costs adversely impacted by \$22.2m following a change in contractual terms. In FY12 revenue was represented net of home delivery fees and in FY13 included in distribution costs

Metropolitan Media

Metro News Print & Digital

	Print News & Classifieds	Metro Digital	Total News & Classifieds	Print News & Classifieds	Metro Digital	Total News & Classifieds		
	FY13	FY13	FY13	FY12	FY12	FY12		%
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m		change
Advertising	301.1	166.8	467.9	400.7	161.3	561.9		(16.7%)
Circulation	156.3	-	156.3	127.5	-	127.5		22.6%
Other	35.7	94.0	129.7	35.8	90.5	126.3		2.7%
Total Revenue	493.1	260.8	753.8	564.0	251.8	815.7		(7.6%)
Associate profit/(loss)			(2.2)			0.2		
Costs			(692.5)			(734.8)		5.8%
EBITDA			59.1			81.1		(27.1%)
Print Contribution			21.3			21.1		1.1%
Adjusted EBITDA			80.4			102.2		(21.3%)
Adjusted EBIT			35.0			56.5		(38.1%)
Margin			7.8%			9.9%		(21.2%)
Adjusted Margin			10.7%			12.5%		(14.9%)

Underlying Circulation
7.1%*

Underlying Revenue
(9.6%)*

Underlying Costs
8.1%*

- Advertising revenue decreased 24.9% in Metro Print and increased 3.4% in Metro Digital.
- Circulation revenue up 7.1% following a reduction in unprofitable circulation and cover price increases which have lifted yield.
- Launch of digital subscriptions for The Sydney Morning Herald and The Age.
- Drive and MyCareer repositioned to focus on content and display.

Print News & Classifieds: SMH, Age and Print Classifieds.

Metro Digital: Online Classifieds and Australian news and transaction sites. Metro Digital includes \$10m in other revenue and costs in both years for online traffic feeds between news and transactions sites.

* Underlying adjustments relate to circulation revenue benefit and distribution costs adversely impacted by \$18.5m following a change in contractual terms. In FY12 revenue was presented net of home delivery fees and in FY13 included in distribution costs

Metropolitan Media – Digital Transactions

Stayz, RSVP, Tenderlink, OMG, InvestSMART, Australian Property Monitors and Commerce Australia

	FY13	FY12	%
	A\$m	A\$m	change
Advertising	8.0	8.2	(2.4%)
Other	67.8	66.0	2.7%
Total Revenue	75.8	74.2	2.2%
Costs	(47.4)	(42.9)	(10.5%)
EBITDA	28.4	31.3	(9.3%)
EBIT	22.1	25.2	(12.3%)
Margin	37.5%	42.2%	(11.2%)

- Revenue impacted by a competitive landscape for RSVP and Stayz in H2 FY13.
- Stayz FY13 revenue \$25.4m (up 10%) and EBITDA \$13.1m (up 0.4%):
 - Revenue growth achieved in challenging environment
 - Steady EBITDA contribution due to investment in marketing and staff
- Agreement to sell InvestSMART for cash consideration of \$7 million.

Metropolitan Media – Financial Review Group

The Australian Financial Review, Magazines and FRG Asia

	FY13 A\$m	FY12 A\$m	% change	
Advertising	66.5	72.3	(8.0%)	Underlying Circulation 0.4%*
Circulation	52.7	48.8	8.0%	
Other	8.4	8.9	(5.6%)	Underlying Revenue (4.6)%*
Total Revenue	127.6	130.0	(1.8%)	
Costs	(123.1)	(123.9)	0.6%	Underlying Costs 3.6%*
EBITDA	4.5	6.0	(25.6%)	
Printing Contribution	1.6	1.6	-	
Adjusted EBITDA	6.0	7.7	(21.6%)	
Adjusted EBIT	1.3	3.0	(56.7%)	
Margin	3.5%	4.7%	(24.2%)	
Adjusted Margin	4.7%	5.9%	(20.1%)	

- Strong digital advertising revenue growth offset by declines in finance, commercial real estate, employment and national categories.
- Turnaround in H2 FY13 circulation revenue supported by digital subscription growth and cover price increase.
- Improvement of cost reduction run rate in H2 FY13 with underlying costs down 3.6%. Cost initiatives include relocation of copy sub-editing to Fairfax Editorial Services in New Zealand, relocation of printing to regional plants, and headcount reduction.

* Underlying adjustments relate to circulation revenue benefit and distribution costs adversely impacted by \$3.7m following a change in contractual terms. In FY12 revenue was presented net of home delivery fees and in FY13 included in distribution costs

Fairfax Regional Media

Australian Regional and Agricultural Publishing (Aust/NZ/USA)

	FY13 A\$m	FY12 A\$m	% change	
Advertising	387.9	445.4	(12.9%)	Underlying Advertising (9.3%)*
Circulation	97.7	101.3	(3.6%)	
Other	24.9	22.8	9.2%	
Total Revenue	510.5	569.5	(10.4%)	Underlying Revenue (7.5%)*
Associate profit/(loss)	2.1	2.1		
Costs	(379.6)	(412.5)	8.0%	Underlying EBITDA (16.7%)*
EBITDA	133.0	159.1	(16.4%)	
Printing Contribution	37.4	45.3	(17.4%)	
Adjusted EBITDA	170.4	204.4	(16.6%)	
Adjusted EBIT	133.7	168.7	(20.7%)	
Margin	26.1%	27.9%	(6.7%)	
Adjusted Margin	33.4%	35.9%	(7.0%)	

- Advertising run rate deteriorated in the second half. Key driver was the downturn in employment driven by mining activity and weakness in national advertising.
- Revenue decline in Newcastle and Illawarra markets (down 16% year-on-year) and smaller markets in Queensland and other mining-related areas (down 12% year-on-year).
- Improvement of cost reduction run rate in H2 FY13 due to Fairfax of the Future initiatives with underlying costs down 4% for the year.

* Underlying adjustments relate to US Agricultural Publishing which was included in H1 FY13 until 14 November 2012

New Zealand Media

Newspapers, Magazines and Websites

	FY13 NZ\$m	FY12 NZ\$m	% change
Advertising	283.6	300.0	(5.5%)
Circulation	126.2	129.1	(2.2%)
Other	11.7	13.3	(12.0%)
Total Revenue	421.5	442.4	(4.7%)
Associate profit/(loss)	-	(0.1)	
Costs	(355.8)	(364.2)	2.3%
EBITDA	65.7	78.1	(15.9%)
Printing Contribution	12.0	13.5	(11.1%)
Adjusted EBITDA	77.7	91.7	(15.2%)
Adjusted EBIT	62.3	76.4	(18.5%)
Margin	15.6%	17.7%	(11.7%)
Adjusted Margin	18.5%	20.7%	(11.0%)

- Advertising revenue down 5.5% with weaker H2 FY13 trends in property, retail, employment and travel categories.
- Improvement of cost reduction run rate in H2 FY13 due to headcount reduction.
- Other revenue in H2 FY12 includes a \$5m gain from settlement of Christchurch earthquake insurance claim.

Broadcasting

Regional and Metropolitan Radio Stations

	FY13 A\$m	FY12 A\$m	% change	
Advertising	96.8	93.1	4.0%	Underlying Advertising 7.7%*
Other	8.3	4.1	102.4%	
Total Revenue	105.1	97.2	8.1%	Underlying Revenue 8%*
Costs	(87.3)	(83.3)	(4.8%)	
EBITDA	17.8	13.9	28.1%	Underlying EBITDA 35.4%*
EBIT	15.5	11.3	37.2%	
Margin	16.9%	14.3%	18.4%	

- Underlying advertising revenue growth of 7.7% versus market growth of 0.7% (metro market excluding Adelaide).
- Continued revenue market share gains across the network.
- 3AW remains ratings market leader in Melbourne and 96fm is establishing market leadership in Perth.
- Regional Radio was sold in October 2011 and is included in the comparative numbers.

* Underlying adjustments relate to (1) Regional Radio was sold in October 2011 and results are included up to the date of sale and (2) \$3.2m impact as other revenue for a change in accounting for advertising production revenue

Printing Operations

	FY13	H1 FY13	H2 FY13	FY12	H1 FY12	H2 FY12
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Total Revenue	411.9	223.4	188.5	474.8	253.5	221.3
Internal Revenue	(351.8)	(189.8)	(162.0)	(411.9)	(220.1)	(191.8)
Net Revenue	60.1	33.6	26.5	62.9	33.4	29.5
Costs	9.8	7.2	2.6	15.6	11.9	3.7
EBITDA	69.9	40.8	29.1	78.5	45.3	33.2
Segment allocation						
<i>Metropolitan Media</i>	22.9	14.8	8.1	22.7	13.8	8.9
<i>Fairfax Regional Media</i>	37.4	20.6	16.8	45.3	25.7	19.6
<i>New Zealand Media</i>	9.6	5.4	4.3	10.5	5.9	4.6
EBITDA	69.9	40.8	29.1	78.5	45.3	33.2
EBIT	11.5	11.0	0.5	18.5	14.5	4.0
Margin	17.0%	18.3%	15.4%	16.5%	17.9%	15.0%

- Net external printing revenue is allocated to the Fairfax Regional Media segment consistent with the allocation of EBITDA.

Metro Media Segment Reconciliation

	Print News & Classifieds	Digital News & Classifieds	Total News & Classifieds	Digital Transactions	FRG	ACT	NSW Communities	Total Metro Media Segment
FY13	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Advertising	301.1	158.8	459.9	8.0	66.5	38.3	61.0	633.6
Circulation	156.3	-	156.3	-	52.7	12.4	0.4	221.8
Other	35.7	26.2	61.9	67.8	8.4	0.8	1.6	140.5
Total Revenue	493.1	185.0	678.1	75.8	127.6	51.5	63.0	995.9
Associate profit/(loss)			(2.2)					(2.2)
Costs			(645.1)	(47.4)	(123.1)	(41.5)	(60.5)	(917.6)
EBITDA			30.7	28.4	4.5	10.0	2.5	76.1
Print Contribution			21.3	-	1.6	-	-	22.9
Adjusted EBITDA			52.1	28.4	6.0	10.0	2.5	99.0

Metro Media Segment Reconciliation

	Print News & Classifieds	Digital News & Classifieds	Total News & Classifieds	Digital Transactions	FRG	ACT	NSW & VIC Communities	Total Metro Media Segment
FY12	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Advertising	400.7	153.1	553.7	8.2	72.3	44.6	124.0	802.8
Circulation	127.5	-	127.5	-	48.8	12.2	0.4	189.0
Other	35.8	24.5	60.3	66.0	8.9	0.6	2.7	138.5
Total Revenue	564.0	177.6	741.6	74.2	130.0	57.5	127.1	1,130.3
Associate profit/(loss)			0.2	-	-	-	-	0.2
Costs			(692.0)	(42.9)	(123.9)	(45.9)	(123.4)	(1,028.1)
EBITDA			49.8	31.3	6.0	11.6	3.7	102.5
Printing Contribution			21.1	-	1.6	-	-	22.7
Adjusted EBITDA			70.9	31.3	7.7	11.6	3.7	125.1

Significant Items

A\$m	FY13	FY12
Impairment of mastheads, goodwill, licences, customer relationships and software	(418.7)	(2,758.1)
Impairment of investments, inventories and property, plant and equipment	(37.2)	(106.1)
Income tax benefit	11.2	66.7
Total impairments, net of tax	(444.6)	(2,797.5)
Restructuring and redundancy charges	(4.5)	(200.4)
Income tax benefit	1.3	60.1
Total restructuring and redundancy, net of tax	(3.1)	(140.3)
Gain on sale of US Agricultural Media business	19.8	-
Gain on sale of Trade Me business	283.4	-
Income tax expense	-	-
Total gains on sale of controlled entities, net of tax	303.3	-
NET SIGNIFICANT ITEMS, NET OF TAX	(144.5)	(2,937.8)

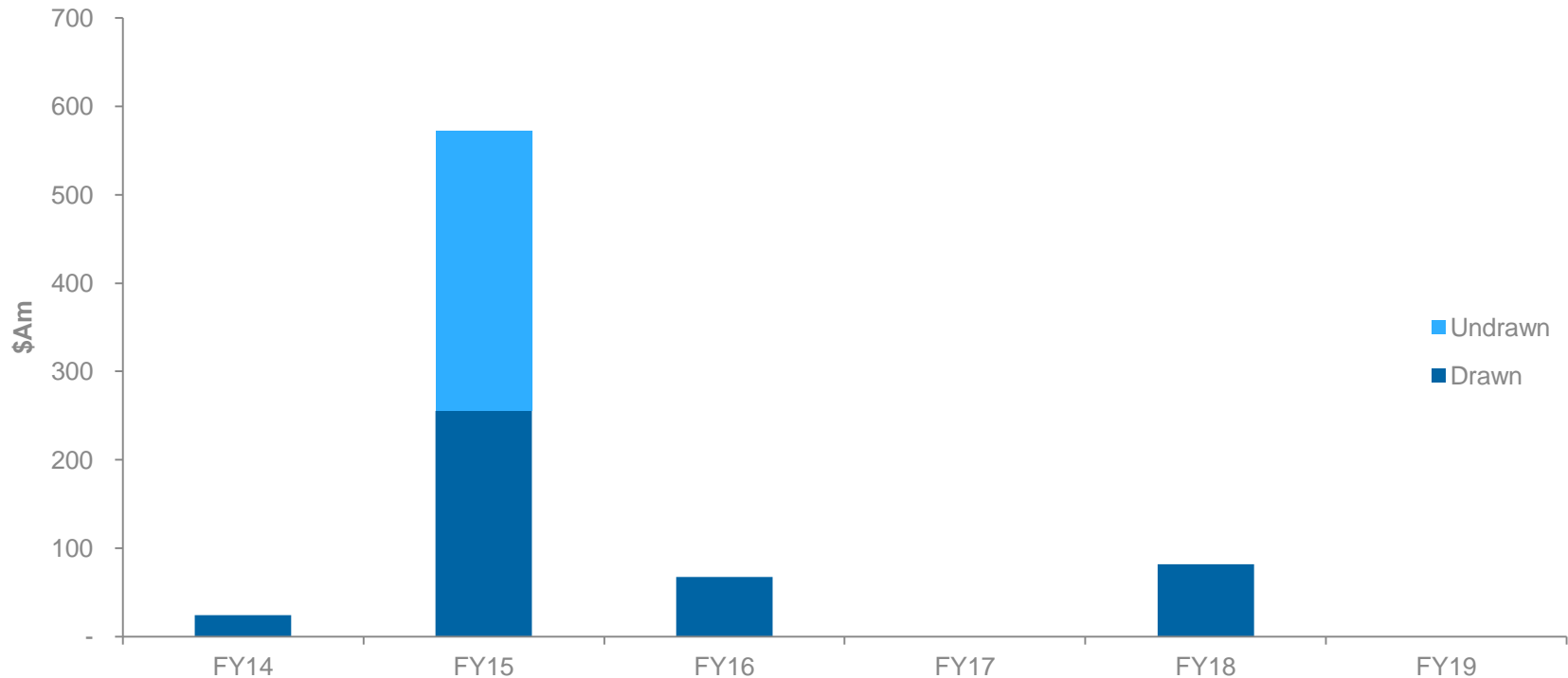
- Impairment of intangible assets of \$418.7m recorded in the Regional (\$406m), Metropolitan (\$5m) and Broadcasting (\$7m) segments.
- Impairment of print assets of \$36.8m following a review of Chullora and Tullamarine sites.
- In the first half, the remaining 51% of Trade Me Group and the US Agricultural Media business were sold. The gain on disposal was recorded as a significant item. Previous disposals of the Group's interest in Trade Me have resulted in a gain on sale of \$182.8m recorded in equity.

Cash Flow

	FY13 A\$m	FY12 A\$m
Cash from trading	377	535
Proceeds from asset sales and investments	646	443
Net other inc exchange movements	(19)	4
Cash In Flows	1,004	982
Net finance charges	49	118
Tax payments	48	111
Investment in acquired business/ventures	65	15
Investment in PP&E	61	43
Restructure/redundancy payments	96	43
Loans (repaid)/advanced	(6)	(5)
Dividends paid	61	83
Cash Out Flows	375	408
Net Cash In / (Out) Flow	629	574
Net Debt at beginning of period	914	1,488
Less: Disposal of Trade Me facility	(130)	-
Net Debt at end of period (including SPS)	154	914

- Budgeted capital expenditure for FY14 is A\$70m.
- Redundancy and restructure payments of \$96m were made during FY13. We expect to pay out the balance of the provision of \$94m in FY14.

Facility Maturity Schedule as at July 2013



- Available debt facilities of \$1,004M at June 2013; \$742m at July 2013 following the US Private Placement notes early redemption.
- Cash on hand \$533m at June 2013; \$287m on hand at July 2013 following the US Private Placement notes early redemption.
- Next significant maturity \$442m in April 2015.

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