LEADING THE change

2014 FULL-YEAR RESULTS

INVESTOR BRIEFING

14 AUGUST 2014

Fairfax Media

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AGENDA

Overview & CEO Commentary	Greg Hywood
Current Trading Environment & Outlook	Greg Hywood
Group Financials & CFO Commentary	David Housego
Q&A	Greg Hywood & David Housego

Appendices

1. Group Trading Performance FY14
2. Group Trading Performance FY13
3. Printing Operations
4. Corporate
5. Trade Me
6. Significant Items
7. Group Digital Revenue
8. Metropolitan Media Digital Revenue Profile
9. Fairfax Audiences (1)
10. Fairfax Audiences (2)
11. Fairfax Audiences (3)
12. Digital Revenue Performance (SMI)

LEADING THE change

OVERVIEW & CEO COMMENTARY

GREG HYWOOD

CHIEF EXECUTIVE OFFICER

Fairfax Media

GROUP TRADING PERFORMANCE OVERVIEW

	Trading Performance excluding significant items	Less Entities Disposed	Trading Performance for continuing businesses	Trading Performance for continuing businesses	
			FY14	FY13	Change
	$m	$m	$m	$m	%
Total revenue	1,866.2	(12.0)	1,854.2	1,963.1	(5.5%)
Expenses	(1,561.5)	5.7	(1,555.8)	(1,660.0)	6.3%
Operating EBITDA	312.7	(6.4)	306.4	300.9	1.8%
Net profit/(loss) attributable to members of the Company	157.8	(3.0)	154.8	86.2	79.6%
Earnings per share	6.7	-	6.6	3.7	79.6%

- Group revenue for continuing operations declined 5.5% to $1,854.2m (down 3.7% like-for-like*).
- Group expenses for continuing operations reduced 6.3% to $1,555.8m (down 4.4% like-for-like*).
- Underlying operating EBITDA of $312.7m and $306.4m for continuing businesses.
- Net profit for continuing business up 79.6%.
- Continued to deliver against our Fairfax of the Future targets:
  – Incremental EBITDA contribution of $120m in FY14.
  – EBITDA contribution of $238m cumulative to the end of FY14.
  – Total annualised savings of $311m by FY15.
- Dividend of 2¢ per share fully franked, consistent with interim and double the H2 FY13 dividend, bringing the total for the year to 4¢ per share fully franked, a payout ratio of 59.7%.

Notes: Entities divested during FY14 include FRG Asia, InvestSMART and Stayz Group.
* FY13 includes 53 weeks as compared to 52 weeks in FY14. The additional week had a positive impact in FY13 on underlying revenue of $38m and EBITDA of $5.6m. Like-for-like adjusts for extra week's trading FY13.

SEGMENT RESULTS

Excluding significant items

	Revenue			EBITDA		
	FY14 A$m	FY13 A$m	% change	FY14 A$m	FY13 A$m	% change
Australian Metro Media	803.2	884.5	(9.2%)	120.9	85.6	41.3%
Australian Community Media*	586.5	685.2	(14.4%)	152.0	183.2	(17.0%)
New Zealand Media*	362.7	337.6	7.4%	72.5	62.2	16.5%
Radio	103.8	110.5	(6.0%)	13.9	18.9	(26.2%)
Corporate and Other	10.0	(3.9)	354.3%	(46.7)	(28.7)	(62.7%)
Trade Me		60.2	(100.0%)		44.8	(100.0%)
Total	**1,866.2**	**2,074.2**	**(10.0%)**	**312.7**	**366.0**	**(14.6%)**

- Reported group EBITDA declined 14.6% but increased 1.8% on a continuing business basis.
- Group revenue declined 10% or 5.5% on a continuing business basis:
  - Domain online revenues up 33%.
  - Metropolitan Media revenues down 9.2% (down 6.3% like-for-like). H2 down 7.4%.
  - New Zealand ($NZ) revenues down 5.4% (down 3.4% like-for-like). H2 down 4.0%.
  - Australian Community Media revenues down 14.4% (down 10.7% like-for-like). H2 down 10.3%.
  - Radio revenues down 6%. H2 down 10.9%.
- Early FY15 revenue run rate for Fairfax Media of 1-2% below prior year.

* Australian Community Media and New Zealand Media – Revenue includes external printing revenue (only included in the segment slide).

OVERVIEW

- Progress on new revenue initiatives:
  - Digital subscriptions continuing to perform strongly (as at 11 August 2014):
    - 140,000+ paid digital subscriptions for The Sydney Morning Herald and The Age.
    - 111,000+ existing SMH/The Age print subscribers signed up for digital access.
  - Marketing Services division created which includes the Content Marketing and Events businesses:
    - The Events business is building on a solid portfolio and expanding into new geographic markets via key platforms including Food and Sport.
    - Content Marketing continues to attract significant interest from major corporations and has a strong pipeline of activity.
  - Our Data strategy is well progressed. We are in active discussions with potential partners as well as having positive commercial discussions with a number of Australia's largest advertisers.
  - The Domain Group is expanding aggressively, increasing margins and accelerating its digital growth.
    - Investment in additional sales and product capability.
    - Premium depth products continue to drive Domain's digital growth, up 61% year-on-year.
    - Agent subscribers up 12% from a year ago, representing approximately 80% market penetration.
    - Strategic acquisition of property data and mapping provider Property Data Solutions and announced acquisition of Canberra's leading real estate listings business Allhomes, subject to regulatory approval.

METROPOLITAN MEDIA

Includes The Australian Financial Review, The Sydney Morning Herald, The Age and print classifieds (inclusive of Domain), online classifieds and Australian news and transaction sites

	FY14 A$'m	FY13 A$'m	% change
Advertising	**460.0**	537.0	(14.3%)
Circulation	**228.0**	209.0	9.1%
Other	**115.1**	138.4	(16.8%)
Total Revenue	**803.2**	884.5	(9.2%)
Associate profit (loss)	**3.8**	(2.5)	249.6%
Costs	**(686.0)**	(796.3)	13.8%
EBITDA	**120.9**	85.6	41.3%
EBIT	**63.5**	36.9	72.2%
EBITDA Margin	**15.1%**	9.7%	
EBIT Margin	**7.9%**	4.2%	

Underlying Advertising (12.6%)*

Underlying Circulation 11.4%*

Underlying Other (8.7%)*

Underlying Total Revenue (6.3%)*

Change in accounting treatment of inter-department depreciation recharge moving from EBITDA to EBIT $14.8m

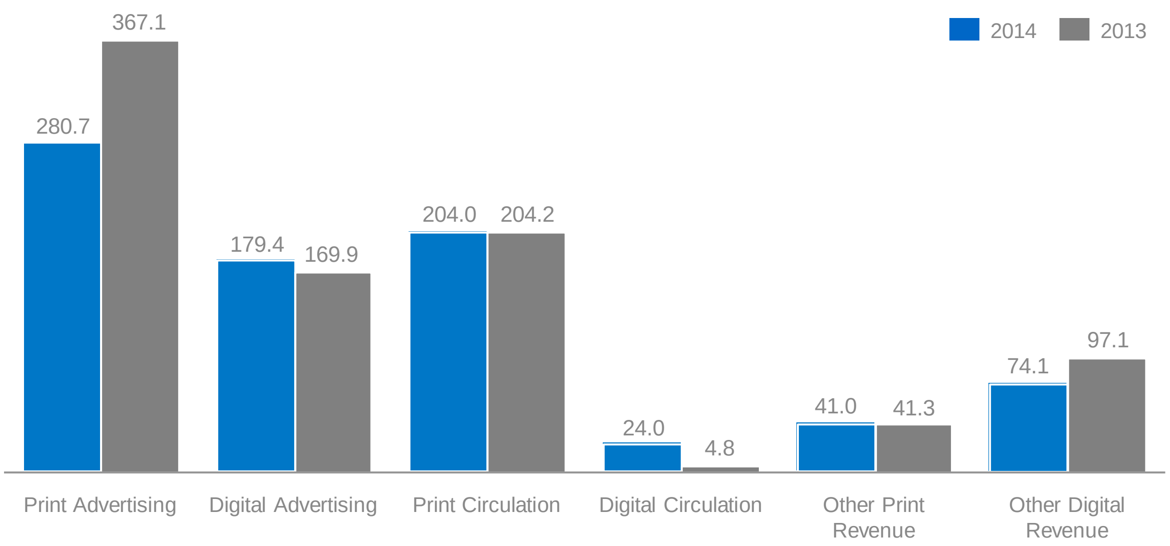
- Print affected by magazine closures and other print product initiatives.
- Savings in staff, production and promotions from cost reduction programs offset decline in revenue driving significant margin gains.

Note: Printing contribution now nets off in costs.
* Additional week's revenue and traffic fees included in FY13. Metro Digital FY13 includes $9.9m in other revenue and costs for online traffic fees between news and transaction sites.

METROPOLITAN MEDIA

Includes The Australian Financial Review, The Sydney Morning Herald , The Age and print classifieds (inclusive of Domain), online classifieds and Australian news and transaction sites

Revenue Breakdown ($m)



- Advertising revenue decreased 24% in Metro Print and increased 6% in Metro Digital (Domain online growth of 33%). Impact from magazine closures and other product initiatives.
- Underlying circulation revenue growth of 9.1% with yield improvement in print, and the introduction of digital subscriptions for The Sydney Morning Herald and The Age in July 2013.

Note: Printing contribution now nets off in costs.
* Additional week's revenue and traffic fees included in FY13. Metro Digital FY13 includes $9.9m in other revenue and costs for online traffic fees between news and transactions sites.

DOMAIN

Digital includes Domain online, Commercial Real Estate online, Australian Property Monitors, PDS and Commerce Australia. Domain print includes The Sydney Morning Herald, The Age and The Canberra Times*

Domain	FY14 A$m	FY13 A$m	% change
Advertising - Print	**37.9**	49.6	(23.6%)
Advertising - Digital	**108.5**	77.2	40.5%
Total Revenue	**146.4**	126.8	15.5%
Associate profit (loss)	**3.9**	0.5	680.0%
Costs	**(92.7)**	(85.8)	(8.0%)
EBITDA	**57.6**	41.5	38.8%
EBITDA - Print	**14.4**	12.1	18.8%
EBITDA - Digital	**43.2**	29.4	47.0%
EBITDA Margin Print	**37.9%**	24.4%	
EBITDA Margin Digital	**39.8%**	38.1%	

- At 30 June 2014, Domain had 8,550+ agent subscribers, up 12% on prior year, approximately 80% market penetration.
- Digital growth continues with Domain online revenue (excluding Australian Property Monitors, Commercial Real Estate, PDS and Commerce Australia) up 33% on prior year. Depth revenue growth of 61% year-on-year.
- Digital EBITDA growth of 47% year-on-year while continuing to invest in product development, marketing and sales.

* Domain results are reported as part of the Metropolitan Media segment with the exception of the Canberra Times which is in Australian Community Media.

DOMAIN

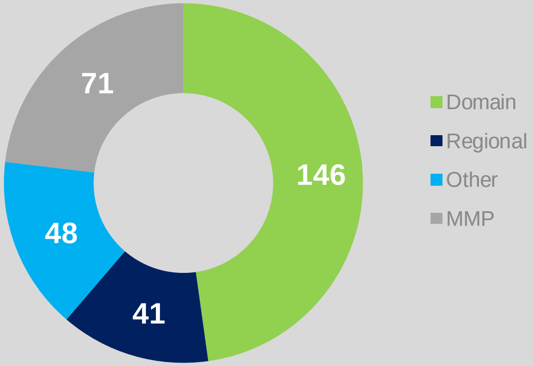
Operational Performance

- Digital revenue continues to grow strongly:
  - Digital comprised 74% of total revenue in FY14 (versus 61% in prior year).
  - Digital growth of 40% offsetting print decline (total revenue up 15%).
  - Total EBITDA up 39%.
- Digital revenue growth driven by increase in sales of depth products (63:37 split in depth and subscriptions revenue).

Corporate Development

- Property Data Solutions (PDS) integrated into the Domain Group:
  - PDS and Australian Property Monitors now an integrated operation, under a new business unit APM PriceFinder.
  - Annualised cost synergies from data collection and operations running in excess of $1m. Revenue growth being driven by enhanced data quality following the integration.
- In July 2014 Fairfax announced it had entered into an agreement to acquire Allhomes, the leading real estate advertising portal in the ACT
  - Total consideration expected to be $50m.
  - ACCC conducting an informal review.

Fairfax Media had exposure to $306m of real estate revenues in FY14[1]



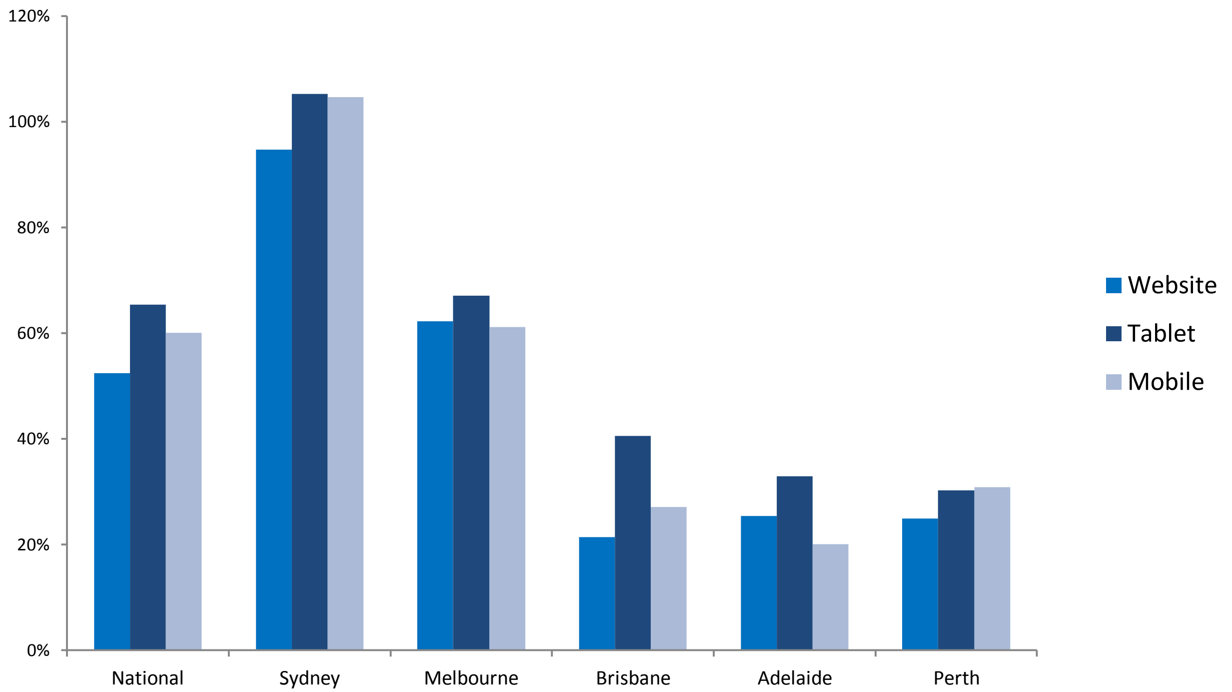
Competitive Environment

- Domain is focused on quality audience growth and measures this through leads per listings (LPL) delivered to agents:
  - Average LPL up 32% year-on-year nationally. Sydney up 43%.
- Consumer ratings for iPhone, iPad and Android apps are the highest in the domestic real estate category – critical as audiences migrate to mobile.
- Leading audience position in Sydney on key digital platforms. Strong revenue growth in Melbourne:
  - Leading mobile and tablet audience reach in Sydney[2]
  - Digital revenue in Melbourne up 36% due to JV with Metro Media Publishing.
- Significant growth opportunities in all States due to agent dissatisfaction with competitor pricing.

1. Domain includes metro digital and print revenues, Commercial Real Estate digital, Australian Property Monitors, PDS and Commerce Australia; Regional includes digital and print revenues; Other includes Commercial Real Estate print revenue, FCN NSW and Ags; MMP adjusted for interrelated transactions and including some non-real estate revenues. The JV with MMP is not consolidated for revenue reporting – data shown for presentational purposes only.
2. Based on June 2014 Emma data (Enhanced Media Metrics Australia).

DOMAIN

Domain relative market share (RMS) of audience versus competitor REA



- At present Domain is Sydney and Melbourne centric:
  - Leading audience position in Sydney on mobile and tablet, based on June 2014 Emma data (RMS of 105%).
  - Strengthening position in Melbourne, across all digital platforms.
- Significant growth opportunity for Domain in all States & Territories resulting from strong position in mobile and tablet and scope to invest in growing brand awareness.

Note: Website, tablet and mobile comparisons are for domain.com.au versus realestate.com.au.
Source: Audience share from Emma data June 2014.

DIGITAL VENTURES

RSVP, TenderLink, Weatherzone, Allure Media, TVN, Healthshare, Adzuna Australia, (Stayz and InvestSMART for period of ownership)*

	FY14 A$m	FY13 A$m	% change
Advertising	**11.8**	12.5	(6.1%)
Other	**43.4**	56.6	(23.3%)
Total Revenue	**55.2**	69.1	(20.2%)
Associate profit (loss)	**(0.1)**		
Costs	**(35.5)**	(43.3)	18.0%
EBITDA	**19.5**	25.8	(24.3%)
EBIT	**16.0**	20.4	(21.3%)
EBITDA Margin	**35.4%**	37.3%	
EBIT Margin	**29.0%**	29.5%	

- In FY14 divested entities Stayz and InvestSMART contributed $6.4m to EBITDA, compared to EBITDA contribution of $14.8m in FY13 (full year).
- RSVP merger with Oasis Active to focus on business growth strategies.
- The results include a full year of Allure Media.
- Digital Ventures focused on growing current portfolio businesses and investing in and building new portfolio businesses through international and local partnerships.

* The Digital Ventures businesses are reported as part of the Metropolitan Media segment.

DIGITAL VENTURES

Portfolio of 7 digital businesses

rsvp Oasis

- Merger with Oasis Active in July 2014.
- Fairfax retains 58% interest.
- Reinvesting Australian earnings for growth in overseas markets.

allure MEDIA

- 100%-owned, digital publishing.
- Focus on investment in digital publishing and complementary businesses.

TENDERLINK

- 100%-owned, e-tendering marketplace.
- Focus on achieving greater penetration in local government markets.

weatherzone

- Majority shareholding, weather services business.
- Focus on new sectors in B2B, and B2C focus on app and website growth.

adzuna

- Joint venture, jobs aggregator.
- Focus on increasing paid listings.

healthshare®

- Minority shareholding, e-health business.
- High potential platform as e-health develops.

TVN

- Minority shareholding, online video platform.
- Growing strongly as programmatic ad buying gains traction.

AUSTRALIAN COMMUNITY MEDIA

Australian Regional, Communities, Agricultural Publishing and ACT Publishing

Australian Community Media

	FY14 A$m	FY13 A$m	% change
Advertising	**408.6**	487.2	(16.1%)
Circulation	**102.6**	110.5	(7.1%)
Other	**18.7**	27.4	(31.5%)
Total Revenue	**529.9**	625.1	(15.2%)
Associate profit (loss)	**2.3**	2.4	(4.2%)
Costs	**(380.2)**	(444.3)	14.4%
EBITDA	**152.0**	183.2	(17.0%)
EBIT	**112.7**	145.0	(22.3%)
EBITDA Margin	**28.7%**	29.3%	
EBIT Margin	**21.3%**	23.2%	

Underlying Advertising (12.2%)*

Underlying Circulation (4.9%)*

Underlying Other (19.4%)*

Underlying Total Revenue (11.1%)*

Underlying EBITDA (15.4)%*

Change in accounting treatment of inter-department recharge of $3.9m moving from EBITDA to EBIT

- Advertising revenues continue to be affected by drought in the Eastern states, a downturn in the resources sector and lower federal national government and national brand advertising expenditure.
- Employment advertising revenue particularly weak.
- Circulation revenue improved in H2 following cover price increases.
- Costs continued to be tightly managed throughout the year.
- Review of ACM business has been completed.

Notes: FY13 results have been adjusted to include FCN NSW and ACT Publishing. Printing contribution now nets off in costs.
* Underlying adjustments relate to US Agricultural Publishing which was included in FY13 until 14 November 2012 and additional week in FY13.

NEW ACM STRUCTURE & MODEL

- ACM comprises more than 150 newspapers and websites in hundreds of local communities:
  - Print audience of 2.2 million readers*.
  - Online audience of 1.4 million*.
- A flatter and simplified management structure will be in place by October 2014 for the ACM group, bringing together Fairfax Regional Media, Agricultural Media, Fairfax Community Media, Newcastle, Canberra and Illawarra.
- Program anticipated to deliver annualised savings of around $40m by 2016. There is a one-off cost of $40m in FY15 involved in achieving these savings.
- New structure and model is not about closing mastheads or leaving markets. Changes will sustain and strengthen the ACM business.
- Limited consolidation of mastheads and product changes in markets where there is significant overlap of readership.
- Maintaining strong local content and sales capability is an absolute priority.

* Emma June 2014.

NEW ACM STRUCTURE & MODEL

- Phased introduction of new operating model over 12 to 18 months to:
  - Deliver our journalism in the most effective ways possible;
  - Respond to changes in audience habits;
  - Reduce duplication and cost;
  - Achieve operational efficiencies;
  - Drive consistency across the business;
  - Grow digital revenue streams; and
  - Build out our advertising network.
- Greater use of Shared Services for support functions such as Finance, IT, Circulation & Distribution and Human Resources.
- Detailed implementation plans will be developed in consultation with mastheads.

NEW ZEALAND MEDIA

Newspapers, Magazines and Websites

	FY14 NZ$m	FY13 NZ$m	% change
Advertising	**268.9**	283.6	(5.2%)
Circulation	**117.9**	126.2	(6.6%)
Other	**12.1**	11.7	2.8%
Total Revenue	**398.9**	421.6	(5.4%)
Costs	**(318.6)**	(343.8)	7.3%
EBITDA	**80.2**	77.8	3.1%
EBIT	**65.9**	62.3	5.9%
EBITDA Margin	**20.1%**	18.5%	
EBIT Margin	**16.5%**	14.8%	

Underlying Advertising (3.3%)*

Underlying Circulation (4.7%)*

Underlying Other 6.5%*

Underlying Total Revenue (3.4%)

- In $AU revenue is up 6.7% and EBITDA is up 16.5% from FY13.
- Advertising revenue impacted by retail and employment structural declines offset by strong performance in the agriculture and government categories and stable real estate advertising.
- Strong growth in digital revenue which will be a focus in 2015.
- Circulation improved in H2 with growth in subscription revenue due to changes in marketing structure and practices.
- Cost reduction focus in H2 offset by reinvestment in digital products.
- Benefit of printing services arrangement with APN to be seen in FY15.

* Additional week's revenue included in FY13. Printing contribution now nets off in costs.

RADIO

Metropolitan Radio Stations

	FY14 A$m	FY13 A$m	% change
Advertising	**96.6**	96.8	(0.2%)
Other	**7.2**	13.7	(47.4%)
Total Revenue	**103.8**	110.5	(6.0%)
Associate profit (loss)	**(0.0)**	0.1	(105.3%)
Costs	**(89.9)**	(91.6)	1.9%
EBITDA	**13.9**	18.9	(26.2%)
EBIT	**10.7**	16.1	(33.2%)
EBITDA Margin	**13.4%**	17.1%	
EBIT Margin	**10.3%**	14.5%	

Underlying Advertising Revenue -6.5%*

Underlying Other Revenue -2%*

- Total metro market growth across the industry of 2%.
- 3AW and 96fm strong ratings and audience share.
- Since January five out of the seven line-ups have changed.
- Change in three out of four sales leadership teams in H2.

* Production Advertising Revenue has moved from Other Revenue in FY14.

CURRENT TRADING ENVIRONMENT & OUTLOOK

LEADING THE change

GREG HYWOOD

CHIEF EXECUTIVE OFFICER

Fairfax Media

CURRENT TRADING ENVIRONMENT & OUTLOOK

- Trading in the first five weeks of FY15 H1 saw revenues 1-2% below last year.
- We continue to identify further opportunity for operational cost savings.

LEADING THE change

GROUP FINANCIALS

DAVID HOUSEGO

CHIEF FINANCIAL OFFICER

Fairfax Media

GROUP TRADING PERFORMANCE

A$m	Reported 4E FY14	Less Significant item	Trading Performance excluding significant items	Less Entities Disposed	Trading Performance for continuing businesses	Trading Performance for continuing businesses
29 June 2014	$m	$m	$m	$m	FY14 $m	FY13$m
Total revenue	1,972.7	(106.5)	1,866.2	(12.0)	1,854.2	1,963.1
Associate profit/(loss)	8.0	-	8.0	-	8.0	(2.2)
Expenses	(1,609.4)	47.9	(1,561.5)	5.7	(1,555.8)	(1,660.0)
Operating EBITDA	371.3	(58.6)	312.7	(6.4)	306.4	300.9
Depreciation and amortisation	(93.5)	-	(93.5)	1.5	(92.0)	(97.3)
EBIT	277.8	(58.6)	219.2	(4.8)	214.4	203.5
Net interest expense	(10.4)		(10.4)	(0.0)	(10.4)	(54.5)
Net Profit/(loss) before tax	267.4	(58.6)	208.8	(4.8)	204.0	149.0
Tax (expense)/benefit	(42.2)	(8.1)	(50.3)	1.9	(48.5)	(47.3)
Net Profit/(loss) after Tax from continuing operations	225.2	(66.7)	158.5	(3.0)	155.5	101.7
Net Profit attributable to non-controlling interest	(0.7)		(0.7)	-	(0.7)	(15.5)
Net Profit/(loss) attributable to members of the Company	224.4	(66.7)	157.8	(3.0)	154.8	86.2
Earnings per share	9.5		6.7		6.6	3.7

- FY14 includes 52 weeks versus 53 weeks in FY13.
- Additional week's revenue impact of $38m and EBITDA profit of $5.6m.
- Entities divested include FRG Asia, InvestSMART and Stayz Group.

SEGMENT RESULTS

Excluding significant items

	Revenue			EBITDA		
	FY14 A$m	FY13 A$m	% change	FY14 A$m	FY13 A$m	% change
Australian Metro Media	803.2	884.5	(9.2%)	120.9	85.6	41.3%
Australian Community Media*	586.5	685.2	(14.4%)	152.0	183.2	(17.0%)
New Zealand Media*	362.7	337.6	7.4%	72.5	62.2	16.5%
Radio	103.8	110.5	(6.0%)	13.9	18.9	(26.2%)
Corporate and Other	10.0	(3.9)	354.3%	(46.7)	(28.7)	(62.7%)
Trade Me		60.2	(100.0%)		44.8	(100.0%)
Total	**1,866.2**	**2,074.2**	**(10.0%)**	**312.7**	**366.0**	**(14.6%)**

NZ Businesses in local currency

Trade Me (NZ$)	-	76.6	(100.0%)	-	57.0	34.5%
New Zealand Media (NZ$)	398.9	421.6	(5.4%)	80.2	77.8	3.1%

* Australian Community Media and New Zealand Media – Revenue includes external printing revenue (only included in the segment slide).

Fairfax Media

FAIRFAX OF THE FUTURE

- Since commencing our Fairfax of the Future three-year transformation program in February 2012 we have continued to exceed in delivering against our cost-out targets:
  - FY15 targeted annualised savings of $311m.
  - Further operational cost savings will take place outside this program.
- Net costs to deliver the Fairfax of the Future program through FY15 are expected to be about $290m:
  - Cash redundancy costs of $245m.
  - Capital expenditure of $86m.
  - Operational expenditure of $25m.
  - Costs offset by expected sale proceeds from legacy print sites and other surplus property.

CASH FLOW

	FY14 A$m	FY13 A$m
Cash from trading	**284**	377
Proceeds from asset sales and investments	**235**	646
Net other inc exchange movements	**5**	(19)
Cash In Flows	**524**	1,004
Net finance charges	**18**	49
Tax payments	**13**	48
Investment in acquired business/ventures	**38**	65
Investment in PP&E	**72**	61
Restructure/redundancy payments	**86**	96
Loans (repaid)/advanced	**(5)**	(6)
Dividends paid	**71**	61
Cash Out Flows	**295**	375
Net Cash In / (Out) Flow	**230**	629
Net Debt at beginning of period	**154**	914
Reclassification to held for sale	**8**	
Less: Disposal of Trade Me facility	**-**	(130)
Net Debt / (Net Cash) at end of period	**(68)**	154

- FY15 capital expenditure is expected in the vicinity of $60m.
- Redundancy and restructure payments of $86m were made during FY14. We expect to pay out the balance of the provision of $20m in FY15.

FUNDING POSITION

As at June 2014

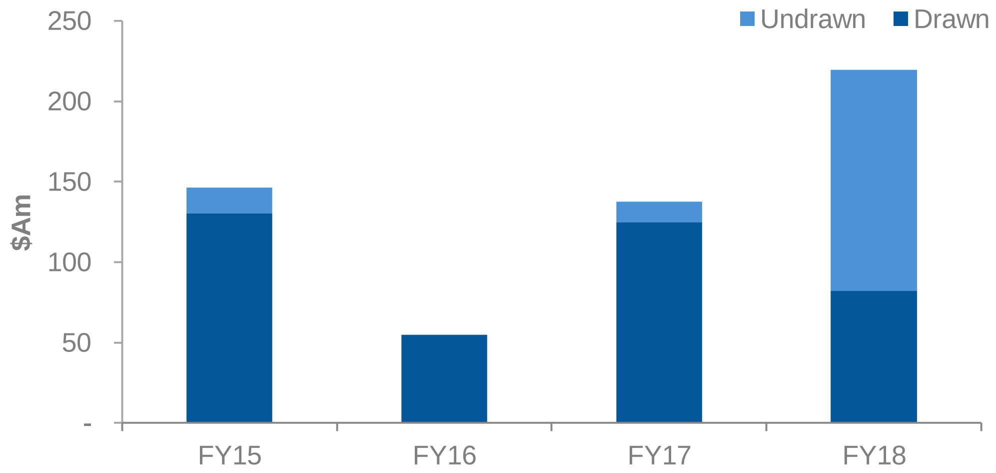
A$m	Actual Jun 14	Actual Jun 13	Actual Jun 12	Covenant
Total interest bearing liabilities	**355**	638	1,207	
Debt related derivatives	**30**	50	65	
Cash and cash equivalents	**(453)**	(534)	(358)	
Net debt (Net cash)	**(68)**	154	914	
EBITDA (last 12 months)	**313**	366	506	
Net debt to EBITDA	**(0.2)**	0.4	1.8	≤ 3.0x[1]
Net interest (last 12 months)	**10**	57	112	
EBITDA to net interest	**30.0**	6.4	4.5	≥ 3.25x

- Net debt reduced by $222m since June 2013.
- Net interest expense for H1 benefited from a $10m profit associated with the close-out of interest rate swaps ($4.6m net of tax).

[1] Some facilities have <4x covenant.

FACILITY MATURITY

As at July 2014



- Net cash position of $68m at June 2014.
- USPP repayment of $125m on 10 July 2014.
- $275m refinanced in February 2014 with three-year and four-year tranches.

Facilities as at 10 July 2014	Limit $m	Usage $m
Non Current		
Bank Revolver Australia	275.0	125.0
USPP 2007 series	82.1	82.1
Bank Revolver New Zealand	37.5	14.5
USPP 2003 series	29.2	29.2
Chullora Lease	9.8	9.8
Total	433.6	260.6

- Standard & Poor's reviewed Fairfax's BB+ credit rating at 27 June: changed from "negative" to "stable" outlook.

LEADING THE
change

Q&A

Fairfax Media

LEADING THE change

APPENDICES

Fairfax Media

APPENDIX 1

Group Trading Performance FY14

A$m	Reported 4E FY14	Less Significant item	Trading Performance excluding significant items	Less Entities Disposed	Trading Performance for continuing businesses	Trading Performance for continuing businesses
29 June 2014	**$m**	**$m**	**$m**	**$m**	**FY14 $m**	**FY13$m**
Total revenue	1,972.7	(106.5)	1,866.2	(12.0)	1,854.2	1,963.1
Associate profit/(loss)	8.0	-	8.0	-	8.0	(2.2)
Expenses	(1,609.4)	47.9	(1,561.5)	5.7	(1,555.8)	(1,660.0)
Operating EBITDA	371.3	(58.6)	312.7	(6.4)	306.4	300.9
Depreciation and amortisation	(93.5)	-	(93.5)	1.5	(92.0)	(97.3)
EBIT	277.8	(58.6)	219.2	(4.8)	214.4	203.5
Net interest expense	(10.4)		(10.4)	(0.0)	(10.4)	(54.5)
Net Profit/(loss) before tax	267.4	(58.6)	208.8	(4.8)	204.0	149.0
Tax (expense)/benefit	(42.2)	(8.1)	(50.3)	1.9	(48.5)	(47.3)
Net Profit/(loss) after Tax from continuing operations	225.2	(66.7)	158.5	(3.0)	155.5	101.7
Net Profit attributable to non-controlling interest	(0.7)		(0.7)	-	(0.7)	(15.5)
Net Profit/(loss) attributable to members of the Company	224.4	(66.7)	157.8	(3.0)	154.8	86.2
Earnings per share	9.5		6.7		6.6	3.7

APPENDIX 2

Group Trading Performance FY13

	Reported 4E FY13	Add Trade Me	Less Significant item	Trading Performance excluding significant items	Trade Me	Other Entities Disposed	Less Entities Disposed	Trading Performance for continuing businesses
	$m	$m	$m	$m	$m	$m	$m	$m
Total revenue	2,033.8	60.2	(19.8)	2,074.2	(60.2)	(50.9)	(111.1)	1,963.1
Associate profit/(loss)	(2.2)	-	-	(2.2)	-	-	-	(2.2)
Expenses	(2,150.8)	(15.4)	460.3	(1,705.9)	15.4	30.4	45.9	(1,660.0)
Operating EBITDA	(119.2)	44.8	440.5	366.0	(44.8)	(20.5)	(65.2)	300.9
Depreciation and amortisation	(100.8)	(3.1)	-	(103.9)	3.1	3.5	6.6	(97.3)
EBIT	(220.0)	41.7	440.5	262.2	(41.7)	(17.0)	(58.6)	203.5
Net interest expense	(55.0)	(2.1)	-	(57.1)	2.1	0.5	2.6	(54.5)
Net profit/(loss) before tax	(274.9)	39.6	440.5	205.1	(39.6)	(16.5)	(56.1)	149.0
Tax expense/(benefit)	(37.9)	(11.2)	(12.6)	(61.7)	11.2	3.1	14.3	(47.3)
Net profit/(loss) after Tax from continuing operations	(312.9)	28.4	427.9	143.5	(28.4)	(13.4)	(41.7)	101.7
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)	(13.4)	(41.7)	101.7
Net profit attributable to non-controlling interest	(15.5)	-	-	(15.5)	-	-	-	(15.5)
Net profit/(loss) attributable to members of the Company	(16.4)	-	144.5	128.0	(28.4)	-	(28.4)	86.2
Earnings per share	(0.7)	-	-	5.4	-	-	-	3.7

Fairfax Media

APPENDIX 3

Printing Operations

	FY14 A$m	FY13 A$m	% change
Total Revenue	**377.5**	411.9	(8.3%)
Internal Revenue	**(318.7)**	(351.8)	(9.4%)
Net Revenue	**58.8**	60.1	(2.1%)
Associate profit (loss)	**0.1**	-	-
Costs	**3.3**	9.8	(66.4%)
EBITDA	**62.2**	69.9	(11.0%)
Segment allocation			
Australian Metro Media	***16.0***	***22.9***	(29.9%)
Australian Community Media	***35.9***	***37.4***	(4.0%)
New Zealand Media	***10.3***	***9.6***	6.8%
EBITDA	**62.2**	69.9	(11.0%)
EBIT	**7.0**	11.5	(39.5%)
EBITDA Margin	**16.5%**	17.0%	

APPENDIX 4

Corporate

	FY14 A$m	FY13 A$m	% change
Total Revenue	**10.0**	(3.9)	354.3%
Associate profit (loss)	**1.9**	(2.1)	188.8%
Costs	**(58.7)**	(22.7)	(158.9%)
EBITDA	**(46.7)**	(28.7)	(62.7%)
EBIT	**(27.5)**	(27.0)	(2.0%)

Change in accounting treatment of inter-departmental depreciation recharge moving from EBITDA to EBIT $20.8m

- Change in accounting treatment for departmental depreciation moving from EBITDA to EBIT unfavourable impact in FY14 for corporate of $20.8m.
- Increase in corporate costs associated with the transformation and restructure and costs associated with the development and initiation of the revenue adjacencies.
- Centralisation of costs into corporate with new system development not being recharged to the business.

APPENDIX 5

Trade Me

	FY14 NZ$m	FY13 NZ$m	% change
Advertising	-	39.3	(100.0%)
Other	-	37.3	(100.0%)
Total Revenue	-	76.6	(100.0%)
Costs	-	(19.6)	100.0%
EBITDA	-	57.0	(100.0%)
EBIT	-	53.0	(100.0%)
EBITDA Margin		74.4%	
EBIT Margin		69.2%	

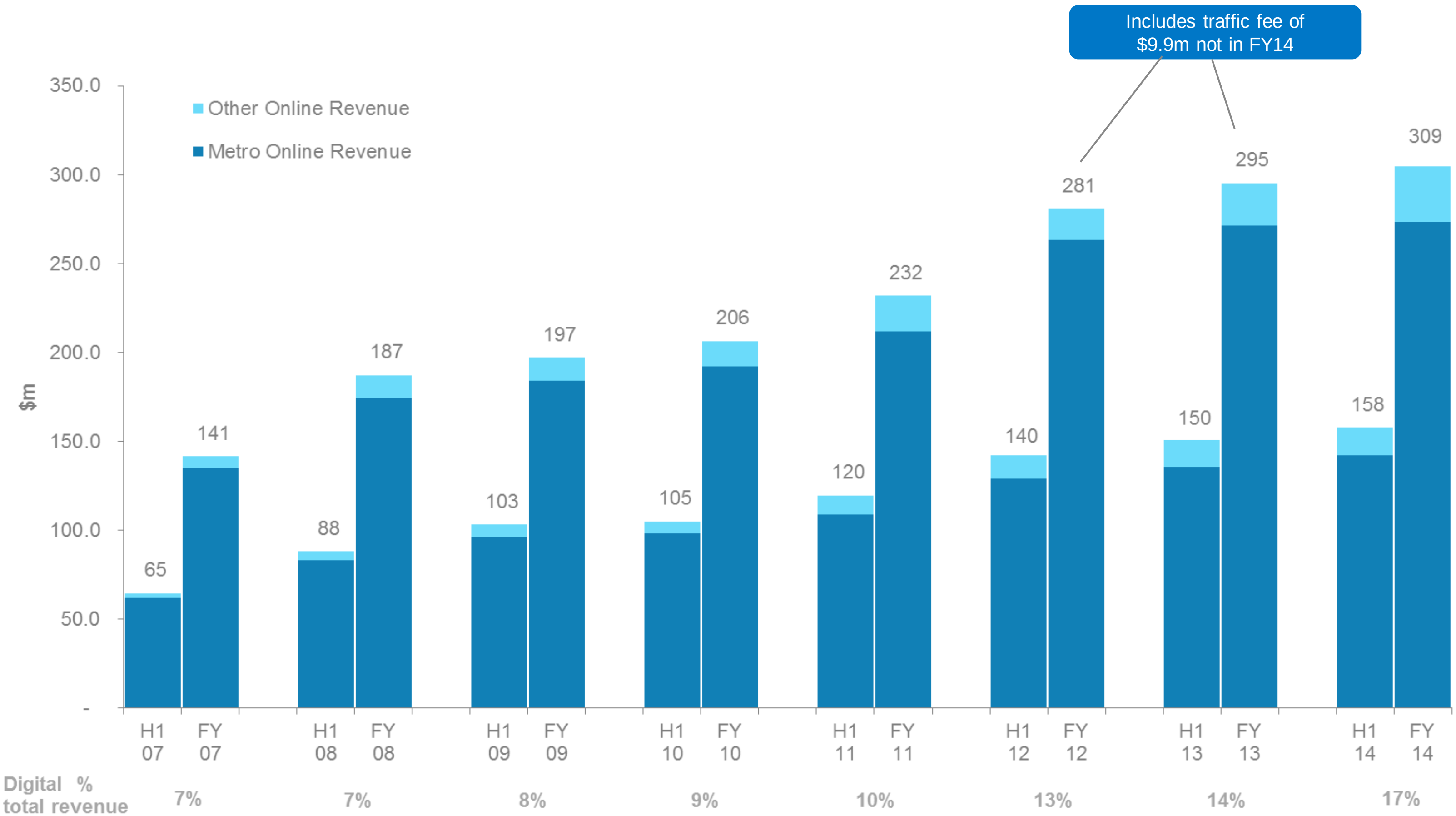
APPENDIX 6

Significant Items

	FY14 A$m	FY13 A$m
Impairment of mastheads, goodwill, licences and customer relationships	-	(418.6)
Impairment of investments, inventories and property, plant and equipment	(23.9)	(37.2)
Income tax benefit	7.1	11.2
Impairment of intangibles, investments, inventories and property, plant and equipment, net of tax	**(16.8)**	**(444.6)**
Restructuring and redundancy charges	(24.0)	(4.5)
Income tax benefit	7.1	1.3
Restructuring and redundancy, net of tax	**(16.9)**	**(3.1)**
Gain on sale of Stayz business and other controlled entities	106.5	
Gain on sale of US Agricultural Media business		19.8
Gain on sale of Trade Me business		283.4
Income tax expense	(6.0)	-
Total gains on sale of controlled entities, net of tax	**100.4**	**303.3**
Significant items, net of tax	**66.7**	**(144.5)**

APPENDIX 7

Group Digital Revenue



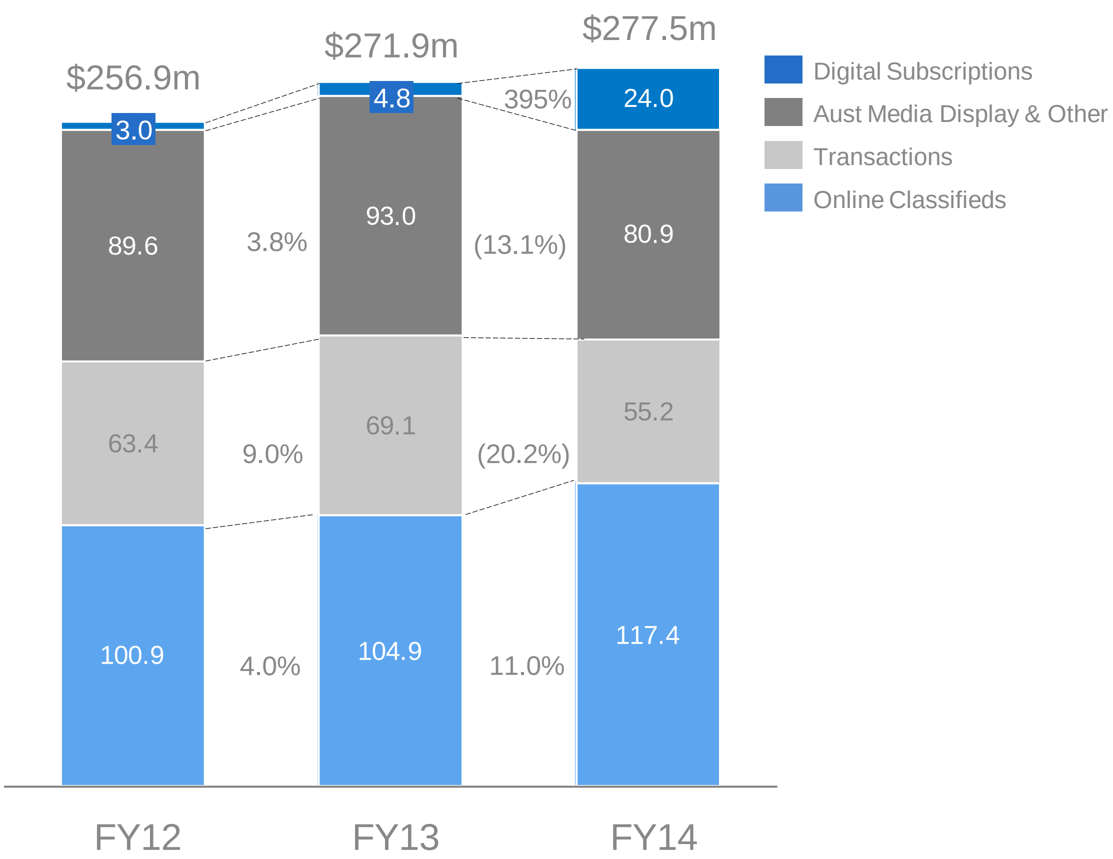
- Metro digital revenue includes Australian national and metropolitan news sites (including The Australian Financial Review), online classifieds and transaction sites on tablet, mobile and online platforms.
- Other digital revenue includes Australian Community Media, New Zealand and Radio. Group digital revenue excludes Trade Me and US Ags for period of ownership.

* FY13 includes traffic fees of $9.9m in Metro Online revenue which did not occur in FY14.

Fairfax Media

APPENDIX 8

Metropolitan Media Digital Revenue Profile



- Digital Subscriptions includes The Sydney Morning Herald, The Age and The Australian Financial Review.
- Australia Media Display & Other includes $9.9m of Internal Digital Traffic in FY13 and FY12 which was not charged in FY14.
- Transactions includes only five months of Stayz revenue before business divestment in December 2013.
- Domain online growth of 33%. Includes six months of Property Data Solutions (PDS). Change in strategy for Drive and MyCareer resulted in revenue reduction and a positive impact on EBITDA.

APPENDIX 9

60% of Australians consume Fairfax content across platforms

Print

6.3 million
print readers

4.8 million
readers of national and metro newspapers

2.4 million
readers of inserted magazines

2.2 million
readers of regional/community newspapers

Web*

7.1 million
visit websites

4.8 million
national and metro news websites

1.4 million
regional websites

Mobile/Tablet

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

1.3 million
access news on a tablet

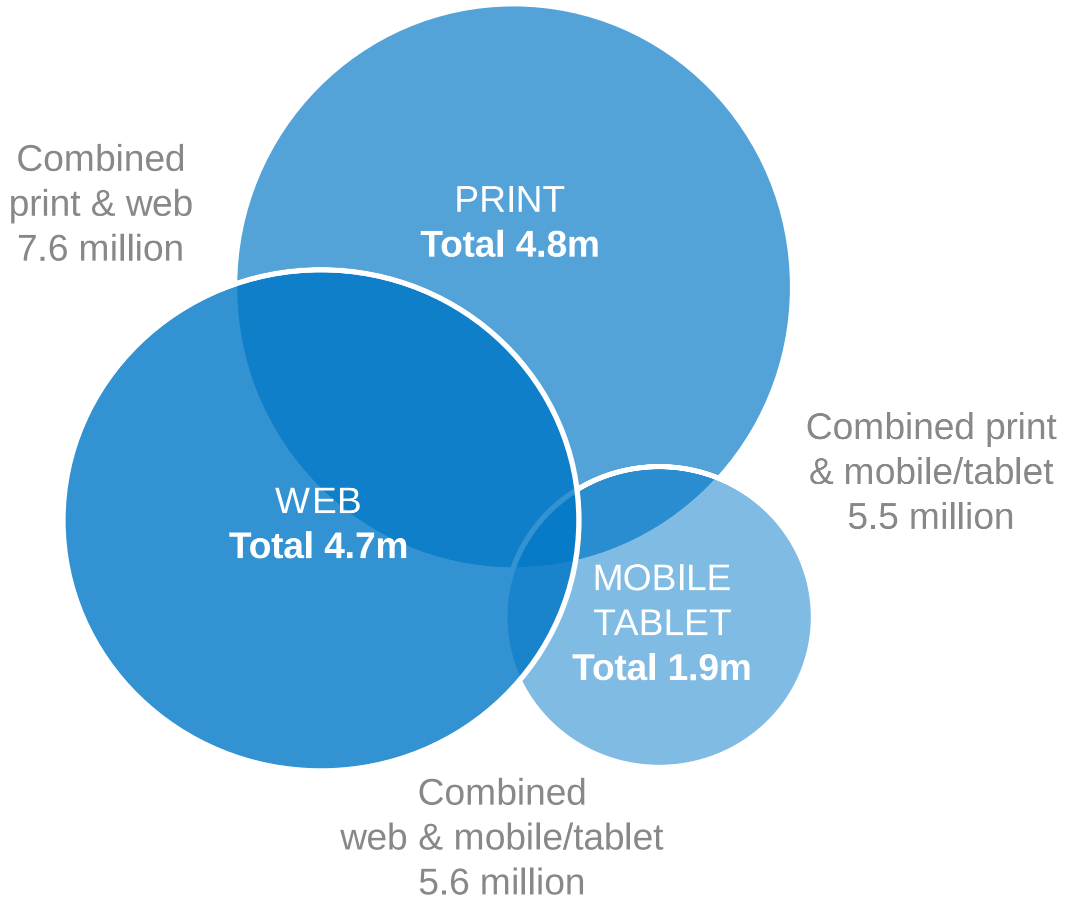
1.2 million
access news on a mobile

10.6 million de-duplicated audience

Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending June 2014, Nielsen Online Ratings June 2014, people 14+ only. Last four weeks. * Nielsen Online Ratings June 2014, Ppl 2+.

APPENDIX 10

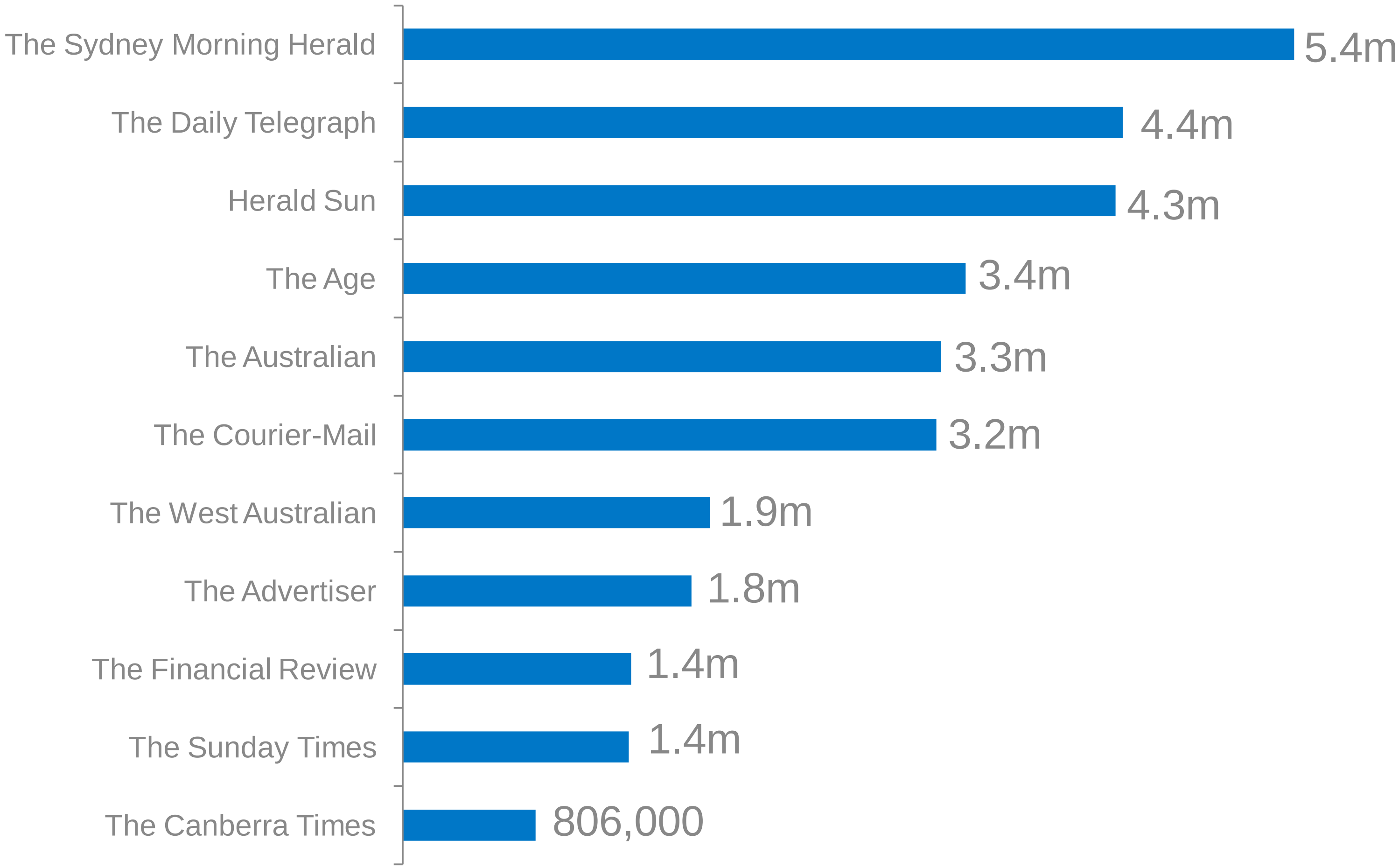
Fairfax's national and metro mastheads reach 8 million Australians across platforms



Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending June 2014, Nielsen Online Ratings June 2014, 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.

APPENDIX 11

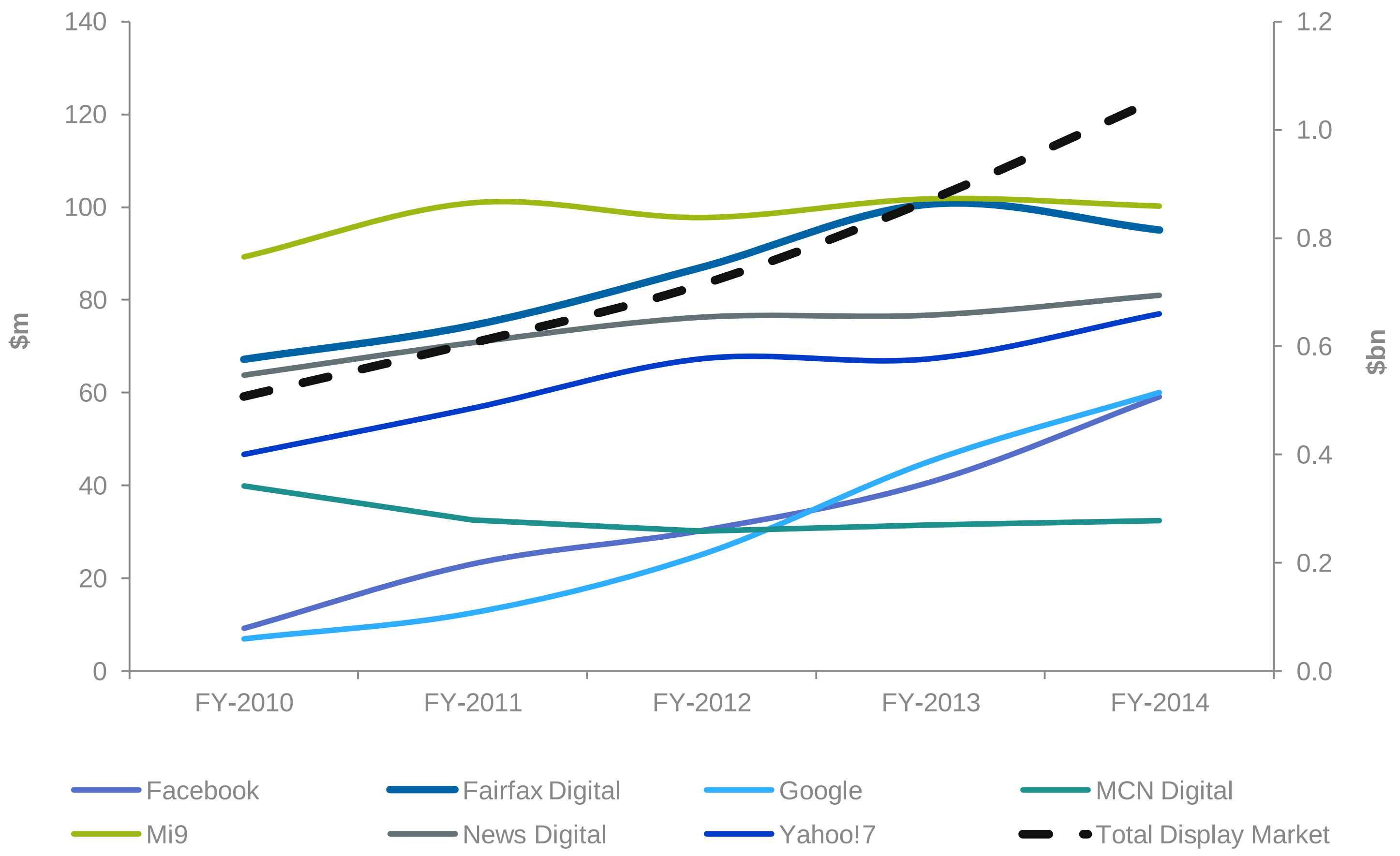
The SMH is No. 1 in Total Masthead Audience



Source: emma[TM] conducted by Ipsos MediaCT, people 14+ for the 12 months ending June 2014, Nielsen Online Ratings June 2014, people 14+ only. Total masthead audience numbers are de-duplicated last four weeks (L4W). Mastheads include Mon-Sun net Press L4W, Desktop/Mobile/tablet net L4W.

APPENDIX 12

Digital Revenue Performance (SMI)



Source: SMI, June 2014 (Total Market excludes search and production).

THANK YOU