

# *Investor Presentation*

## 2018 HALF-YEAR RESULTS

21 FEBRUARY 2018



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# AGENDA

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# OVERVIEW & CEO COMMENTARY

GREG HYWOOD, CEO

Fairfax Media

# GROUP TRADING PERFORMANCE

## EXCLUDING SIGNIFICANT ITEMS

	Trading Performance excluding significant items	Trading Performance excluding significant items	Change
	FY18 H1	FY17 H1	
24 December 2017	\$m	\$m	%
Total revenue	873.2	902.9	(3.3%)
Expenses	(726.0)	(758.4)	4.3%
Operating EBITDA	146.9	145.1	1.3%
EBIT	119.8	126.8	(5.5%)
Net profit attributable to members of the Company	76.3	84.7	(9.9%)
Earnings per share	3.3	3.7	(10.3%)

- Group revenue for continuing businesses decreased 3.3% to \$873.2m.
- Group expenses for continuing businesses decreased 4.3% to \$726.0m.
- Underlying EBITDA of \$146.9 m increased by 1.3%.
- Underlying EBIT of \$119.8m decreased 5.5%.
- Net profit of \$76.3m decreased 9.9%.
- Statutory net profit of \$38.5m including significant items of \$37.8m loss after tax.
- Dividend of 1.1¢ per share (100% franked) payable on 14 March 2018.

# SEGMENT RESULTS OVERVIEW

## EXCLUDING SIGNIFICANT ITEMS

	Revenue			EBITDA		
	FY18 H1	FY17 H1	%	FY18 H1	FY17 H1	%
	A\$m	A\$m	change	A\$m	A\$m	change
Domain Group	183.3	162.9	12.5%	58.6	57.3	2.2%
Australian Metro Media	253.6	279.1	(9.1%)	30.0	27.7	8.4%
Australian Community Media	212.0	225.6	(6.0%)	36.4	43.1	(15.6%)
Stuff	146.6	159.2	(8.0%)	18.9	25.9	(27.0%)
Macquarie Media Limited	68.7	69.6	(1.3%)	16.3	13.3	22.6%
Corporate and Other	8.9	6.4	39.1%	(13.2)	(22.2)	40.4%
<b>Total</b>	<b>873.2</b>	<b>902.9</b>	<b>(3.3%)</b>	<b>146.9</b>	<b>145.1</b>	<b>1.3%</b>
New Zealand Media \$NZD	160.0	167.5	(4.5%)	20.7	27.3	(24.0%)

- Reported group revenue decrease of 3.3%:
  - Domain Group revenue up 12.5% with digital revenue up 22.3%.
  - Australian Metro Media revenues down 9.1%.
  - Australian Community Media revenues down 6.0% (8.6% excl. external print revenue).
  - Stuff (\$NZ) revenues down 4.5% (4.6% excl. external print revenue).
  - Macquarie Media revenues down 1.3% (excl. disposals up 2%).
- Reported group EBITDA increase of 1.3%.
  - Corporate overheads declined 40%.
  - Trading in the first seven weeks of FY18 H2 saw revenues around 4% to 5% below last year.

Note: Australian Community Media and Stuff– Revenue includes external printing revenue (only included in the segment slide). FXJ's reported "Domain Group" EBITDA reflects actual separation costs incurred in the six months to December 2017 versus DHG's reported pro forma EBITDA reflecting pro forma separation costs for six months to December 2016 and six months to December 2017.

# STRATEGY TO BUILD SHAREHOLDER VALUE



## GROWING

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by building on core strengths and maximising opportunities



## TRANSFORMING

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Through cost efficiency and business model innovation



## BUILDING VALUE

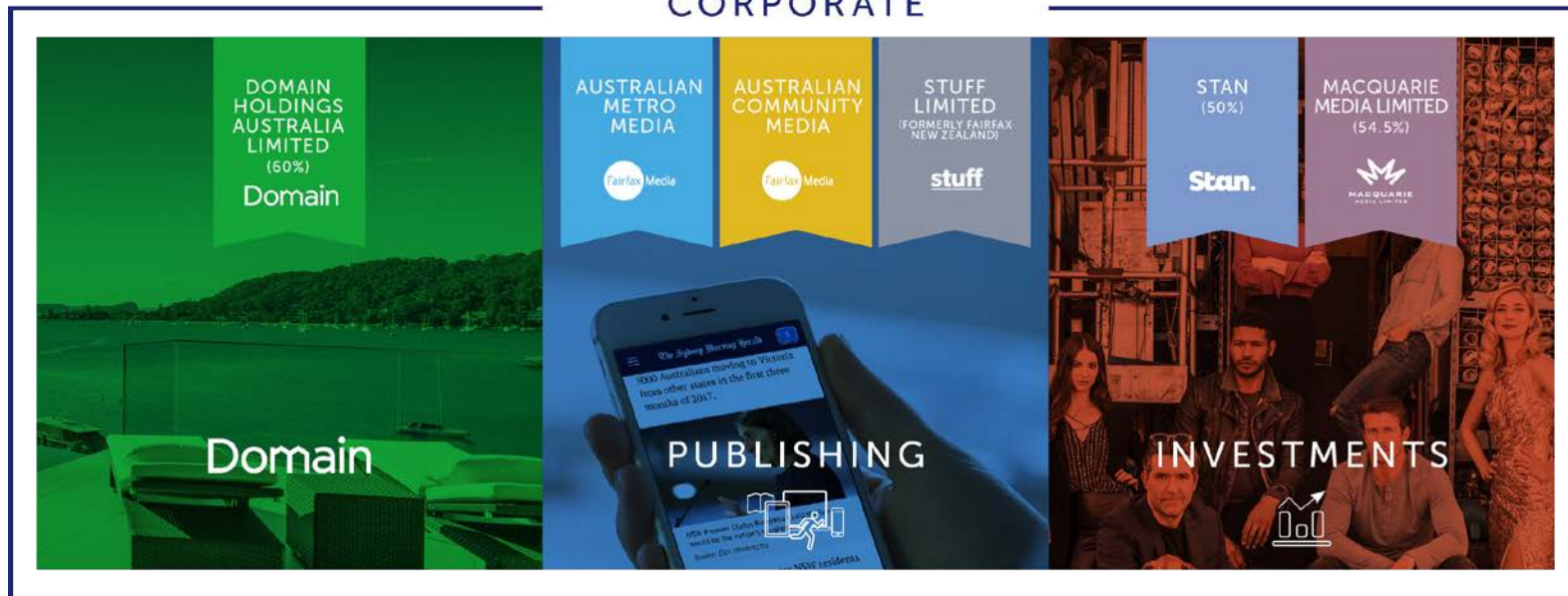
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Through strategic decision-making and portfolio management

# VALUABLE PORTFOLIO OF DOMAIN, PUBLISHING AND INVESTMENT ASSETS



## CORPORATE





# DOMAIN GROUP

24% residential depth revenue growth

Strong core digital revenue growth from residential, developers & commercial

21% increase in residential mobile enquiries

Domain

# DOMAIN HOLDINGS AUSTRALIA LIMITED

Domain group

60% SHAREHOLDING IN ASX-LISTED REAL ESTATE AND MEDIA SERVICES BUSINESS

- 22% digital revenue growth, supported by residential depth revenue growth of 24% (82:18 depth:subscriber split for FY18 H1).
- Strong developers & commercial revenue growth.
- Print revenue decline of 12%.
- Total expenses increased 18% (14% on a DHG reported pro forma basis).
  - Digital expenses increased 26% (24% on a DHG reported pro forma basis) reflecting continued investment in staff, workspace and new transactions businesses.
  - Print expenses declined 5% (6% on a DHG reported pro forma basis).
- Loss from Associates reflects investment in early stage businesses Oneflare and Homepass.

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
Digital	139.7	114.3	22.3%
Print	43.0	48.6	(11.6%)
Corporate	0.6		
<b>Total Revenue</b>	<b>183.3</b>	162.9	12.5%
Associate profit (loss)	(0.7)	(0.5)	(46.3%)
<b>Expenses</b>	<b>(124.0)</b>	(105.1)	(18.0%)
<b>EBITDA</b>	<b>58.6</b>	57.3	2.2%
EBITDA - Digital	54.2	46.2	17.3%
EBITDA - Print	10.5	14.2	(26.5%)
EBITDA - Corporate	(6.0)	(3.1)	(93.9%)
Margin - Total	32.0%	35.2%	
Margin - Digital	38.8%	40.4%	
Margin - Print	24.4%	29.3%	

# DOMAIN HOLDINGS AUSTRALIA LIMITED

Domain group

## BUSINESS PERFORMANCE DETAIL

	REVENUE			EBITDA			EBITDA Margin	
	FY18 H1	FY17 H1	%	FY18 H1	FY17 H1	%	FY18 H1	FY17 H1
	A\$m	A\$m	change	A\$m	A\$m	change		
Residential	86.1	72.2	19.3%					
Media, Developers & Commercial	28.7	23.9	20.1%					
Agent Services	13.7	12.4	11.3%					
<b>Core Digital</b>	<b>128.6</b>	<b>108.5</b>	<b>18.5%</b>	<b>55.9</b>	<b>46.5</b>	<b>20.2%</b>	<b>43.4%</b>	<b>42.8%</b>
Transactions & Other	11.1	5.8	91.5%	(1.7)	(0.3)	(496.2%)	(15.4%)	(4.9%)
<b>Digital</b>	<b>139.7</b>	<b>114.3</b>	<b>22.3%</b>	<b>54.2</b>	<b>46.2</b>	<b>17.3%</b>	<b>38.8%</b>	<b>40.4%</b>
<b>Print</b>	<b>43.0</b>	<b>48.6</b>	<b>(11.6%)</b>	<b>10.5</b>	<b>14.2</b>	<b>(26.5%)</b>	<b>24.4%</b>	<b>29.3%</b>
<b>Corporate</b>	<b>0.6</b>	<b>-</b>		<b>(6.0)</b>	<b>(3.1)</b>	<b>(93.9%)</b>		
<b>Domain Group</b>	<b>183.3</b>	<b>162.9</b>	<b>12.5%</b>	<b>58.6</b>	<b>57.3</b>	<b>2.2%</b>	<b>32.0%</b>	<b>35.2%</b>

# DOMAIN HOLDINGS AUSTRALIA LIMITED

Domain group

## RECONCILIATION – FAIRFAX TO DHG DISCLOSURE

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
<b>Fairfax: Domain EBITDA (pre separation costs)</b>	<b>62.5</b>	<b>57.3</b>	<b>9.0%</b>
Fairfax: Domain separation costs	(3.9)		
<b>Fairfax: Domain reported EBITDA</b>	<b>58.6</b>	<b>57.3</b>	<b>2.2%</b>
DHG Pro forma separation costs	(1.8)	(5.1)	
<b>DHG reported EBITDA</b>	<b>56.8</b>	<b>52.2</b>	<b>8.7%</b>

# PUBLISHING

## AUSTRALIAN METRO MEDIA

8% EBITDA growth and margin improvement

11% digital subscription revenue growth

283k paid digital subscribers (SMH/Age/Financial Review)

11% publishing cost improvement

## AUSTRALIAN COMMUNITY MEDIA

7% cost improvement

## STUFF

33% digital revenue growth

5% underlying cost improvement



# AUSTRALIAN METRO MEDIA

METROPOLITAN NEWSPAPERS, DIGITAL MEDIA, TRANSACTIONS AND EVENTS

- EBITDA growth of 8% and margin improvement.
- Reduction in Metro Media costs of 11% with publishing costs down 11%.
- Publishing cost savings in staff, technology and print production.
- Metro publishing advertising revenue decline of 15%.
- Growth in digital subscription revenue of 11%.
- Other revenue lower due to sale of Tenderlink in October 2016.
- Sports Media and Entertainment (SME 360) business and management acquired and combined with Events to drive value across combined portfolio.

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
Advertising	107.6	124.3	(13.4%)
Circulation	110.3	114.8	(3.9%)
Other	35.7	40.0	(10.6%)
Total Revenue	253.6	279.1	(9.1%)
Associate profit (loss)	0.0	0.7	(96.7%)
Expenses	(223.7)	(252.1)	11.3%
EBITDA	30.0	27.7	8.4%
EBIT	27.7	24.2	14.6%
EBITDA Margin	11.8%	9.9%	

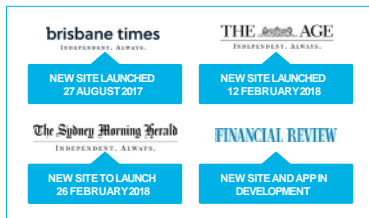
Note: Printing contribution nets off in costs.

# METRO'S STRATEGY IS DELIVERING RAPID INNOVATION AND COST EFFICIENCY



## DELIVERING A STEP-CHANGE FOR CONSUMERS

New websites and apps to grow engagement, drive subscriptions and revenue



### Enhanced technology platforms

Replacing complex legacy systems with new fit-for-purpose, agile, flexible and lower cost publishing technology

### Maximising the value of our editorial investment

Focusing editorial on points of difference and areas of excellence, eg. investigations, State and Federal politics



## ESTABLISHING FOUNDATIONS FOR ADVERTISING GROWTH

World-first sales and technology partnership with Google



Meets growing demand for premium programmatic inventory and provides extensive access to Google's expertise while offering customers greater choice

### New industry-aligned vertical sales structure

Enables deeper, more valuable partnerships based on Fairfax audience expertise and insights

### Industry partnerships

Eg. anonymised digital identity cooperative to improve addressability and increase the value of publisher inventory



## MAXIMISING PRINT EARNINGS

Industry cooperation

Progressed positive discussions with News Corp Australia, assisted by third-party advisors, to seek industry-wide efficiencies in printing and distribution

Ongoing commitment to print



End to end focus on efficiency while selectively investing to meet specific advertiser demand

# AUSTRALIAN COMMUNITY MEDIA

AUSTRALIAN REGIONAL/COMMUNITY/AGRICULTURAL NEWSPAPERS,  
DIGITAL MEDIA AND EVENTS

4.3M

TOTAL  
DE-  
DUPLICATED  
AUDIENCE

- Cost improvement of 7% with ongoing cost savings initiatives.
- Advertising revenue decline of 9% with declines in local and real estate print revenue.
- Digital revenue increased 20%.
- Agriculture-related advertising revenue remained stable year-on-year.
- Circulation revenue declines reflected lower retail volumes.
- Closure of six Community titles and one speciality magazine (positive EBITDA contribution to be reflected in H2).

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
Advertising	138.7	152.7	(9.2%)
Circulation	36.9	41.4	(11.0%)
Other	11.4	10.3	10.8%
<b>Total Revenue</b>	<b>187.0</b>	204.5	(8.6%)
Associate profit (loss)	0.8	0.8	6.8%
Expenses	(151.4)	(162.2)	6.6%
<b>EBITDA</b>	<b>36.4</b>	43.1	(15.6%)
<b>EBIT</b>	<b>34.0</b>	39.8	(14.6%)
<b>EBITDA Margin</b>	<b>19.4%</b>	21.1%	

Note: Printing contribution nets off in costs. ACM results includes ACT Publishing.



# STUFF

## NEW ZEALAND NEWSPAPERS, DIGITAL MEDIA, TRANSACTIONS AND EVENTS

- In \$AU, revenue is down 8% and EBITDA is down 27% from FY17 H1.
- FY18 H1 underlying EBITDA down 15% with results impacted by:
  - One-off estimated \$3.6m provision for Holidays Act recalculation.
  - Additional investment in Stuff Fibre of \$1.5m.
  - Offset by gain on sale of \$2.6m (recorded in Other revenue).
- Digital revenue growth of 33% driven by Stuff Fibre growing strongly and Neighbourly continued growth.
- Underlying cost improvement of 5%.

	FY18 H1	FY17 H1	%
	NZ\$m	NZ\$m	change
Print Advertising	77.2	90.7	(14.9%)
Print Circulation / Subscription	48.8	51.0	(4.3%)
Digital	24.2	18.2	32.8%
Other	8.1	6.0	34.9%
<b>Total Revenue</b>	<b>158.3</b>	166.0	(4.6%)
Associate Profits (Loss)	(0.2)	0.1	(356.9%)
Expenses	(137.5)	(138.8)	0.9%
<b>EBITDA</b>	<b>20.7</b>	27.3	(24.0%)
<b>EBIT</b>	<b>13.4</b>	22.4	(40.2%)
<b>EBITDA Margin</b>	<b>13.1%</b>	16.4%	

Note: Printing contribution nets off in costs.

# STUFF

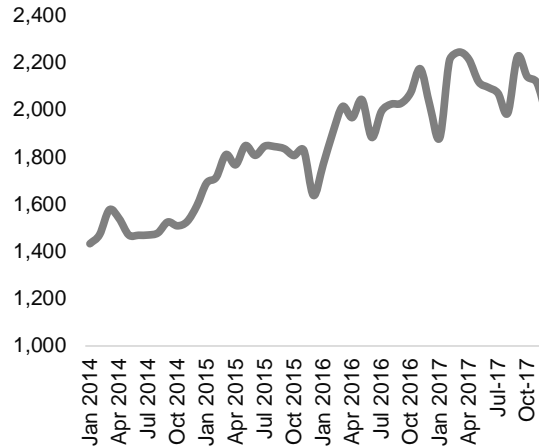
## LARGE AND GROWING DIGITAL AUDIENCES

**stuff** IS NEW ZEALAND'S LEADING LOCAL WEBSITE

BRAND	UNIQUE AUDIENCE (000)		% CHG
	DEC 2017	DEC 2016	
Google	3,271	3,204	2.1%
Facebook	2,569	2,487	3.3%
MSN / Outlook / Bing / Skype	2,314	2,490	-7.1%
YouTube	2,296	2,197	4.5%
<b>Stuff</b>	<b>1,974</b>	<b>2,016</b>	<b>-2.1%</b>
nzherald.co.nz	1,744	1,702	2.5%
Microsoft	1,735	1,885	-8.0%
New Zealand Government	1,664	1,512	10.1%
Trade Me	1,564	1,549	1.0%
Wikipedia	1,158	1,063	8.9%

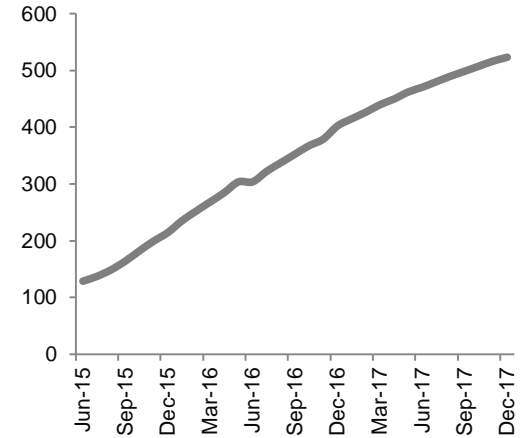
New Zealand Digital Audience Ranking

**stuff** HAS GROWN AUDIENCE 38% OVER 2 YEARS



Stuff Monthly Audience (000s)

**Neighbourly** IS ACHIEVING STRONG MOMENTUM



Neighbourly members (000s)

Source: Nielsen Online; Neighbourly.

# INVESTMENTS

**STAN**

~930k active subscribers

**MACQUARIE MEDIA LIMITED**

EBITDA increase of 23%



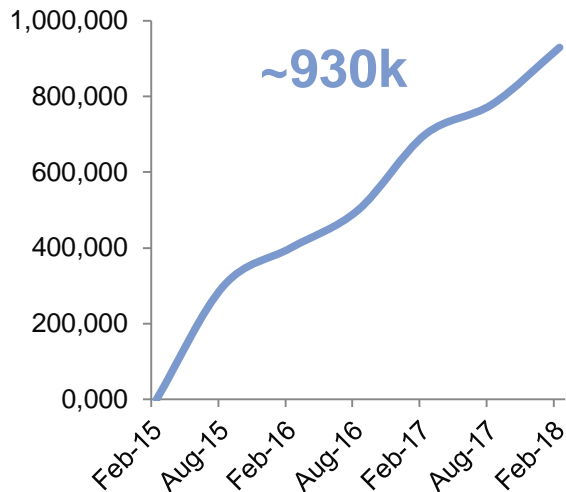
# STAN

50% SHAREHOLDING IN SUBSCRIPTION VIDEO-ON-DEMAND SERVICE

Stan.

LEADING  
LOCAL SVOD  
PLATFORM

## CONTINUED STRONG ACTIVE SUBSCRIBER GROWTH



## STRONG BUSINESS OPERATING PERFORMANCE



**+83% YoY**  
Subscription  
Revenue



**+29% YoY**  
Operating  
Costs

## PRICING TIERS DRIVING ARPU GROWTH



# STAN'S SUBSCRIBER GROWTH FUELLED BY EXCLUSIVE CONTENT

	Q1	Q2
	<div data-bbox="390 464 562 562"> <p>RuPaul's Drag Race: All Stars S3</p> </div> <div data-bbox="596 464 768 562"> <p>iZombie S4</p> </div> <div data-bbox="803 464 975 562"> <p>Mozart in the Jungle S4</p> </div> <div data-bbox="390 616 562 715"> <p>The Detour S1-3</p> </div> <div data-bbox="596 616 768 715"> <p>Ash v Evil Dead S3</p> </div> <div data-bbox="803 616 975 715"> <p>Our Cartoon President</p> </div> <div data-bbox="390 769 562 868"> <p>UnREAL S3</p> </div> <div data-bbox="596 769 768 868"> <p>The Trade</p> </div> <div data-bbox="803 769 975 868"> <p>Rise S1</p> </div>	<div data-bbox="1265 300 1437 398"> <p>The Second</p> </div> <div data-bbox="1056 464 1228 562"> <p>Imposters S2</p> </div> <div data-bbox="1265 464 1437 562"> <p>Billions S3</p> </div> <div data-bbox="1472 464 1644 562"> <p>I'm Dying Up Here S2</p> </div> <div data-bbox="1056 616 1228 715"> <p>The Circus S3</p> </div> <div data-bbox="1265 616 1437 715"> <p>Power S5</p> </div> <div data-bbox="1472 616 1644 715"> <p>Claws</p> </div> <div data-bbox="1056 769 1228 868"> <p>RuPaul's Drag Race S10</p> </div> <div data-bbox="1265 769 1437 868"> <p>Swedish Dicks S2</p> </div> <div data-bbox="1472 769 1644 868"> <p>Younger S5</p> </div>

FY 18 EXCLUSIVE PREMIERES

Note: Timing is indicative and subject to change.

# MACQUARIE MEDIA LIMITED

54.5% SHAREHOLDING IN ASX-LISTED METROPOLITAN RADIO BUSINESS

**2GB**  
873AM

#1

RADIO  
STATION IN  
SYDNEY

**3AW**693  
NEWS TALK

#1

RADIO  
STATION IN  
MELBOURNE

- EBITDA growth of 23% and margin improvement.
- Sale of Satellite Music in FY18 H1 and 2CH in FY17 H2.
- Revenue excluding disposals is above last year by 2%.
- Cost savings include a reduction in ACMA fees.

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
Total Revenue	68.7	69.6	(1.3%)
Associate Profit (Loss)	(0.1)	0.1	(210.1%)
Expenses	(52.3)	(56.4)	7.2%
EBITDA	16.3	13.3	22.6%
EBIT	14.4	11.7	22.9%
EBITDA Margin	23.7%	19.1%	



MACQUARIE  
MEDIA LIMITED

# CORPORATE

40% improvement in  
Corporate overheads to (\$13m)

Targeting annualised run-rate  
of (\$20m) for FY19

# CORPORATE

- Overheads reduction of 40% reflects:
  - Accelerated accounting treatment of lease incentive benefit for Sydney office of \$3.8m;
  - Transfer of costs to businesses including Domain and Metro;
  - Savings in underlying corporate costs.
- Accounting treatment of Sydney office relocation at end of calendar 2019:
  - Lease incentive benefit \$8.1m in FY18, \$8.8m in FY19 and \$4.4m in FY20;
  - Cash flow payment of \$10m in January 2020.

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
Net Revenue	8.9	6.4	39.1%
Associate Profit (Loss)	(0.2)	(0.5)	61.4%
Expenses	(22.0)	(28.1)	21.7%
EBITDA	(13.2)	(22.2)	40.4%





# CURRENT TRADING ENVIRONMENT & OUTLOOK

GREG HYWOOD, CEO

Fairfax Media

# CURRENT TRADING ENVIRONMENT & OUTLOOK

- Trading in the first seven weeks of FY18 H2 saw revenues around 4% to 5% below last year.
  - Domain's digital revenue growth was 21% and total revenue growth was 11%.
  - Publishing trends were broadly consistent with FY18 H1.
- For FY18, Domain's costs (on a Fairfax reported basis) are expected to increase around 17% to 18% from FY17's reported costs of \$206 million. Domain's pro forma costs (on a DHG reported basis) are expected to increase around 12% to 13% from FY17's pro forma costs of \$216 million.
- Across the Fairfax Group we continue to implement cost savings measures.



# GROUP FINANCIALS

DAVID HOUSEGO, CFO

Fairfax Media

# GROUP TRADING PERFORMANCE

	Reported 4D FY18 H1	Less Significant items	Trading Performance excluding significant items	Less Operations Closed / Disposals	Trading Performance for continuing businesses	Trading Performance for continuing businesses
24 December 2017	\$m	\$m	\$m	\$m	FY18 H1 \$m	FY17 H1 \$m
Total revenue	877.1	(3.9)	873.2		873.2	902.9
Associate profits	(0.3)	-	(0.3)		(0.3)	0.6
Expenses	(776.3)	50.3	(726.0)		(726.0)	(758.4)
Operating EBITDA	100.5	46.4	146.9		146.9	145.1
Depreciation and amortisation	(27.1)	-	(27.1)		(27.1)	(18.3)
EBIT	73.4	46.4	119.8		119.8	126.8
Net finance costs	(4.6)	-	(4.6)		(4.6)	(4.6)
Net profit/(loss) before tax	68.8	46.4	115.2		115.2	122.2
Tax (expense)/benefit	(22.7)	(7.7)	(30.4)		(30.4)	(31.9)
Net profit/(loss) after tax	46.1	38.7	84.8		84.8	90.3
Net profit attributable to non-controlling interest	(7.5)	(0.9)	(8.4)		(8.4)	(5.6)
Net profit/(loss) attributable to members of the Company	38.5	37.8	76.3		76.3	84.7
Earnings per share	1.7		3.3		3.3	3.7

# SIGNIFICANT ITEMS

A\$m	FY18 H1	FY17 H1
Impairment of intangibles, inventories, investments, and property, plant and equipment	(32.9)	(1.3)
Income tax benefit	4.7	0.4
Impairment of intangibles, inventories, investments, and property, plant and equipment, net of tax	(28.2)	(0.9)
Restructuring and redundancy charges	(16.9)	(15.6)
Income tax benefit	3.9	4.6
Restructuring and redundancy, net of tax	(13.0)	(11.0)
Gain on sale of controlled entities and investments	3.9	7.4
Gain on investment at fair value	-	2.7
Loss on disposal of property, plant and equipment	(0.5)	
Income tax expense	(0.9)	
Gains on controlled entities and investments, net of tax	2.5	10.1
Other		0.9
Income tax expense		(0.3)
Other, net of tax	-	0.7
<b>NET SIGNIFICANT ITEMS, NET OF TAX</b>	<b>(38.7)</b>	<b>(1.1)</b>

# CASHFLOW/NET DEBT POSITION

- Net debt of \$155.9m:
  - Fairfax wholly-owned entities net cash position of \$6.8m.
  - Domain net debt of \$140.2m.
  - Macquarie Media net debt of \$22.4m.

	FY18 H1	FY17 H1
	A\$m	A\$m
Cash from trading	124	127
Restructure/redundancy payments	(17)	(20)
Net finance charges	(6)	(6)
Dividends received	1	2
Tax payments	(29)	(20)
<b>Net Cash Inflow from operating activities</b>	<b>73</b>	<b>82</b>
Proceeds from asset sales and divestments	10	30
Investment in acquired business/ventures	(2)	(7)
Investment in PP&E and software	(35)	(53)
Loans (repaid) / advanced	(18)	(20)
Dividends paid	(56)	(54)
Net other	(9)	(2)
<b>Net Cash Outflow from investing and financing activities</b>	<b>(110)</b>	<b>(105)</b>
<b>Net Cash In / (Out) Flow</b>	<b>(38)</b>	<b>(23)</b>
Net Debt / (Cash) at beginning of period	118	89
<b>Net Debt / (Cash) At End of Period</b>	<b>156</b>	<b>112</b>

# FUNDING POSITION

AS AT DECEMBER 2017

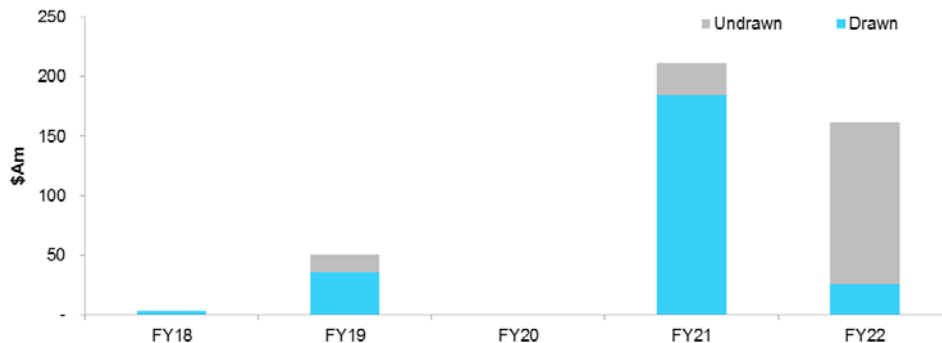
- FY18 H1 includes \$140.2m of net debt from Domain and \$22.4m of net debt from Macquarie Media.

A\$m	Dec 17	Jun 17	Dec 16	Jun 16
Total interest bearing liabilities	249	239	244	179
Debt related derivatives	-	(9)	(13)	(9)
Cash and cash equivalents	(93)	(113)	(118)	(81)
<b>Net Debt/ (Cash)</b>	<b>156</b>	<b>118</b>	<b>112</b>	<b>89</b>
EBITDA (last 12 months)	273	271	267	283
<b>Net Debt / (Cash) to EBITDA</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
Net interest (last 12 months)	10	10	9	11
<b>EBITDA to Net Interest</b>	<b>27.8</b>	<b>27.6</b>	<b>30.5</b>	<b>25.5</b>

# FACILITY MATURITY

AS AT DECEMBER 2017

- Net debt position of \$156m at December 2017.



Facilities as at December 2017	Limit \$m	Usage \$m
Fairfax 100%-owned entities	122.8	45.0
Domain	250.0	165.0
Weatherzone	3.1	3.1
Macquarie Media	50.0	35.8
<b>Total</b>	<b>425.9</b>	<b>248.9</b>





Q & A





THANK YOU

Fairfax Media



# APPENDICES

Fairfax Media

# APPENDIX 1

## GROUP TRADING PERFORMANCE FY18 H1

	Reported 4D FY18 H1	Less Significant items	Trading Performance excluding significant items	Less Operations Closed / Disposals	Trading Performance for continuing businesses	Trading Performance for continuing businesses
24 December 2017	\$m	\$m	\$m	\$m	FY18 H1 \$m	FY17 H1 \$m
Total revenue	877.1	(3.9)	873.2		873.2	902.9
Associate profits	(0.3)	-	(0.3)		(0.3)	0.6
Expenses	(776.3)	50.3	(726.0)		(726.0)	(758.4)
Operating EBITDA	100.5	46.4	146.9		146.9	145.1
Depreciation and amortisation	(27.1)	-	(27.1)		(27.1)	(18.3)
EBIT	73.4	46.4	119.8		119.8	126.8
Net finance costs	(4.6)	-	(4.6)		(4.6)	(4.6)
Net profit/(loss) before tax	68.8	46.4	115.2		115.2	122.2
Tax (expense)/benefit	(22.7)	(7.7)	(30.4)		(30.4)	(31.9)
Net profit/(loss) after tax	46.1	38.7	84.8		84.8	90.3
Net profit attributable to non-controlling interest	(7.5)	(0.9)	(8.4)		(8.4)	(5.6)
Net profit/(loss) attributable to members of the Company	38.5	37.8	76.3		76.3	84.7
Earnings per share	1.7		3.3		3.3	3.7

# APPENDIX 2

## GROUP TRADING PERFORMANCE FY17 H1

	Reported 4D FY17 H1	Less Significant item	Trading Performance excluding significant items	Less Operations Closed / Disposals	Trading Performance for continuing businesses
25 December 2016	\$m	\$m	\$m	\$m	FY17 H1 \$m
Total revenue	913.0	(10.1)	902.9		902.9
Associate profits	0.6	-	0.6		0.6
Expenses	(774.3)	15.9	(758.4)		(758.4)
Operating EBITDA	139.2	5.8	145.1		145.1
Depreciation and amortisation	(18.3)	-	(18.3)		(18.3)
EBIT	121.0	5.8	126.8		126.8
Net finance costs	(4.6)	-	(4.6)		(4.6)
Net (loss)/profit before tax	116.4	5.8	122.2		122.2
Tax (expense)/benefit	(27.2)	(4.7)	(31.9)		(31.9)
Net profit/(loss) after tax	89.2	1.1	90.3		90.3
Net profit attributable to non-controlling interest	(5.4)	(0.2)	(5.6)		(5.6)
Net profit/(loss) attributable to members of the Company	83.7	1.0	84.7		84.7
Earnings per share	3.6		3.7		3.7

# APPENDIX 3

## PRINTING OPERATIONS

- Printing Australia had external print revenue growth of 18% with new and returning customers.

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
Total Revenue	109.9	117.8	(6.8%)
Internal Revenue	(83.3)	(95.2)	(12.5%)
Net Revenue	26.5	22.6	17.3%
Associate profit (loss)			
Expenses	(22.5)	(17.1)	(31.5%)
<b>EBITDA</b>	<b>4.1</b>	<b>5.5</b>	<b>(26.4%)</b>
<i><b>Segment allocation</b></i>			
<i>Australian Metropolitan Media</i>	1.8	2.1	(12.3%)
<i>Australian Community Media</i>	1.6	1.3	16.8%
<i>New Zealand Media</i>	0.6	2.1	(69.6%)
EBITDA	4.1	5.5	(26.7%)
EBIT	2.0	2.3	(14.3%)
EBITDA Margin	3.7%	4.7%	

# APPENDIX 4

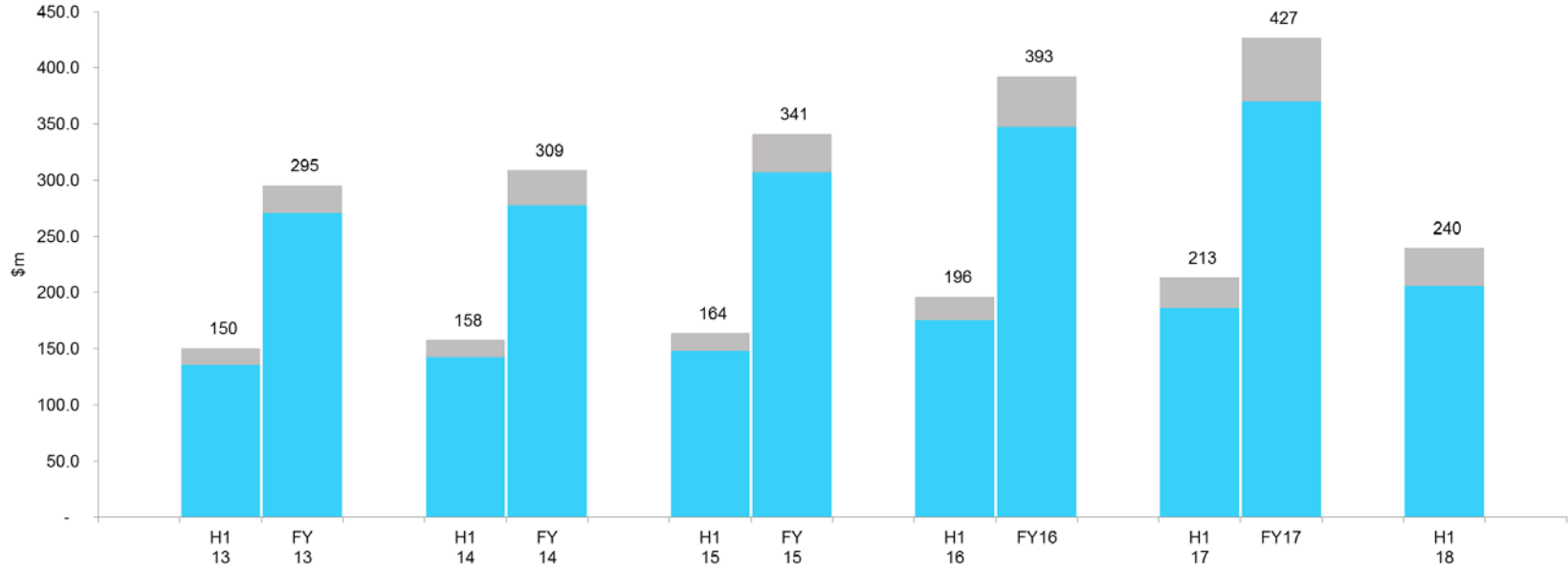
## NON-CONTROLLING INTEREST

- Domain NCI at 40% from 22 November 2017.
- Other includes Fibre Co (Stuff Fibre).

	FY18 H1	FY17 H1	%
	A\$m	A\$m	change
Macquarie Media	(4.4)	(3.5)	(27.0%)
Domain Group	(4.8)	(2.5)	(92.5%)
Other	0.7	0.3	116.2%
Total Non-Controlling Interest	(8.4)	(5.6)	(50.7%)

# APPENDIX 5

## GROUP DIGITAL REVENUE



**DIGITAL %  
TOTAL REVENUE**

14%

17%

19%

21%

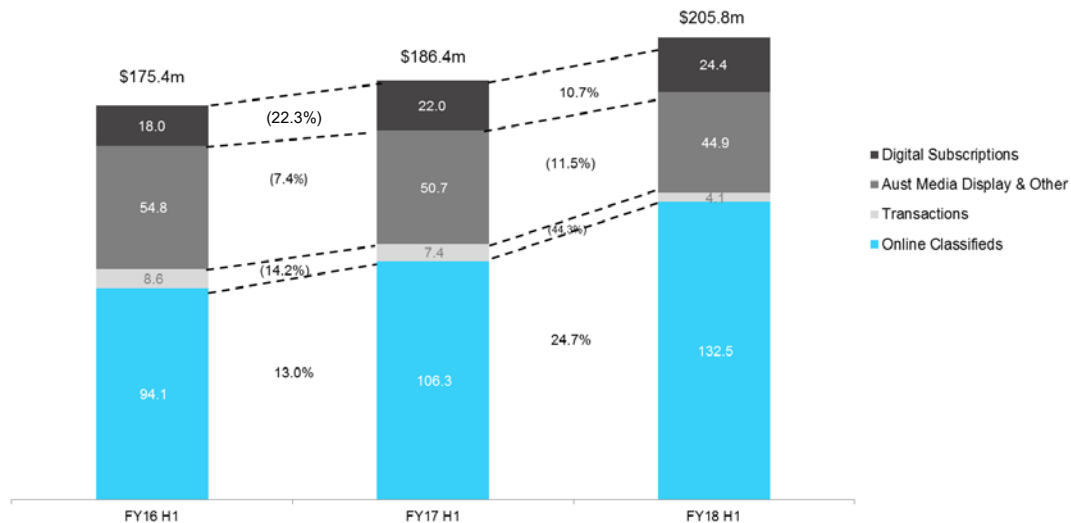
25%

27%



# APPENDIX 6

## DOMAIN AND METROPOLITAN MEDIA DIGITAL REVENUE PROFILE



### Digital Subscriptions:

Includes *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*.

### Australian Media Display & Other:

Includes Metro and Domain display advertising.

### Transactions:

Includes Weatherzone, Allure and Tenderlink (sold in October 2016).

### Online Classifieds:

Includes Domain.

# APPENDIX 7

## AUSTRALIANS CONSUMING FAIRFAX CONTENT ACROSS PLATFORMS

### DIGITAL



**10.4M**

total digital audience



**5.4M**

access content on desktop/laptop



**5.8M**

access content on smartphone



**1.9M**

regional websites

### PRINT



**6.3M**

print readers



**4.0M**

readers of national and metro newspapers



**1.5M**

readers of inserted magazines

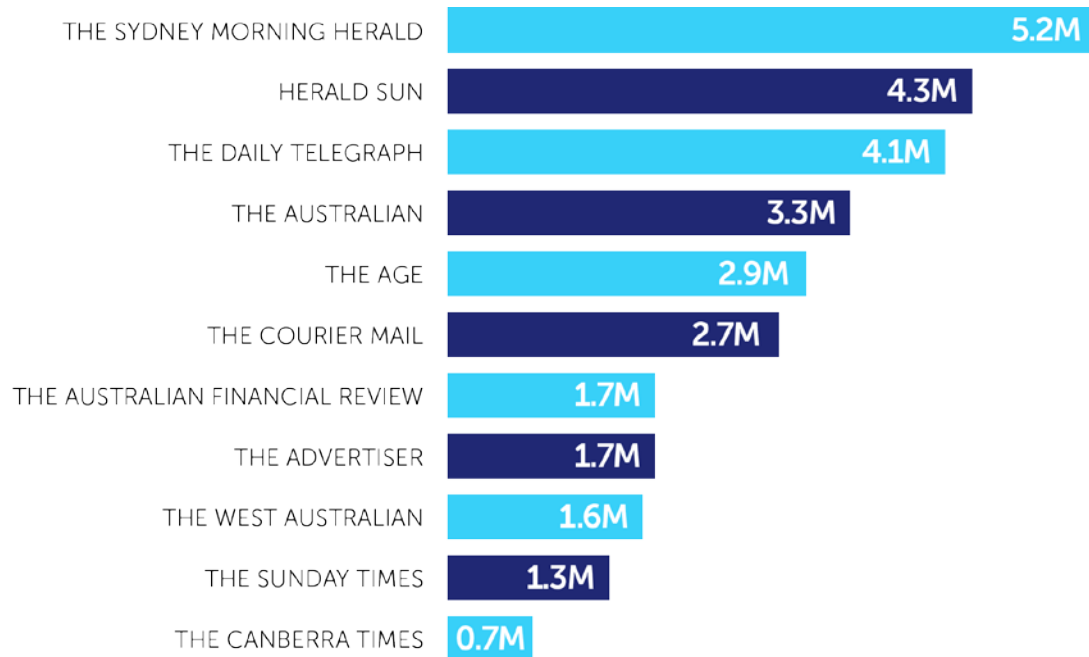


**3.1M**

readers of regional/community newspapers

# APPENDIX 8

## THE SMH IS NO. 1 IN TOTAL MASTHEAD AUDIENCE



Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending November 2017, Nielsen Digital Ratings (Monthly) November 2017 people 14+ (computer), people 18+ (smartphone/tablet).