

INVESTOR PRESENTATION

MACQUARIE AUSTRALIA CONFERENCE

GREG HYWOOD, CEO
DAVID HOUSEGO, CFO

SYDNEY, 4 MAY 2017



FAIRFAX MEDIA IS A LEADING NETWORK OF INFORMATION BRANDS, MARKETPLACES AND ENTERTAINMENT ASSETS

CONNECTING WITH 70% OF AUSTRALIANS AND 90% OF NEW ZEALANDERS



STRATEGY TO BUILD SHAREHOLDER VALUE ACROSS PORTFOLIO OF DOMAIN, PUBLISHING AND INVESTMENT ASSETS



GROWING

BY BUILDING ON CORE
STRENGTHS AND MAXIMISING
OPPORTUNITIES



TRANSFORMING

THROUGH COST EFFICIENCY
AND BUSINESS MODEL
INNOVATION



CREATING VALUE

THROUGH STRATEGIC
DECISION-MAKING AND
PORTFOLIO MANAGEMENT

THREE BUSINESS GROUPS SPANNING DIVERSIFIED PORTFOLIO OF MEDIA ASSETS WITH FOCUSED OBJECTIVES

BUSINESS GROUPS

BUSINESSES AND STRATEGIC OBJECTIVES



Maximising value of Domain Group's strong platform at the centre of the property ecosystem and growing new revenue



Building a sustainable publishing model with enhanced digital and print products, and ancillary revenues



Maintaining cost efficiency while driving digital growth and exploring other opportunities



Monetising New Zealand Media's engaged & high value audiences, diversifying digital revenue while optimising print and delivering efficiencies

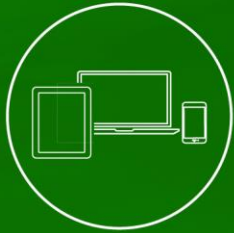


Creating value through investment in high-growth digital opportunities and portfolio management



Maximising opportunity of No. 1 stations in Sydney and Melbourne and national radio network strength

DOMAIN GROUP



4.1M
AUSTRALIANS
VIA DIGITAL



2.0M
AUSTRALIANS
VIA PRINT



1.2M+
SOCIAL MEDIA
FOLLOWERS







5.3M+
TOTAL APP
DOWNLOADS

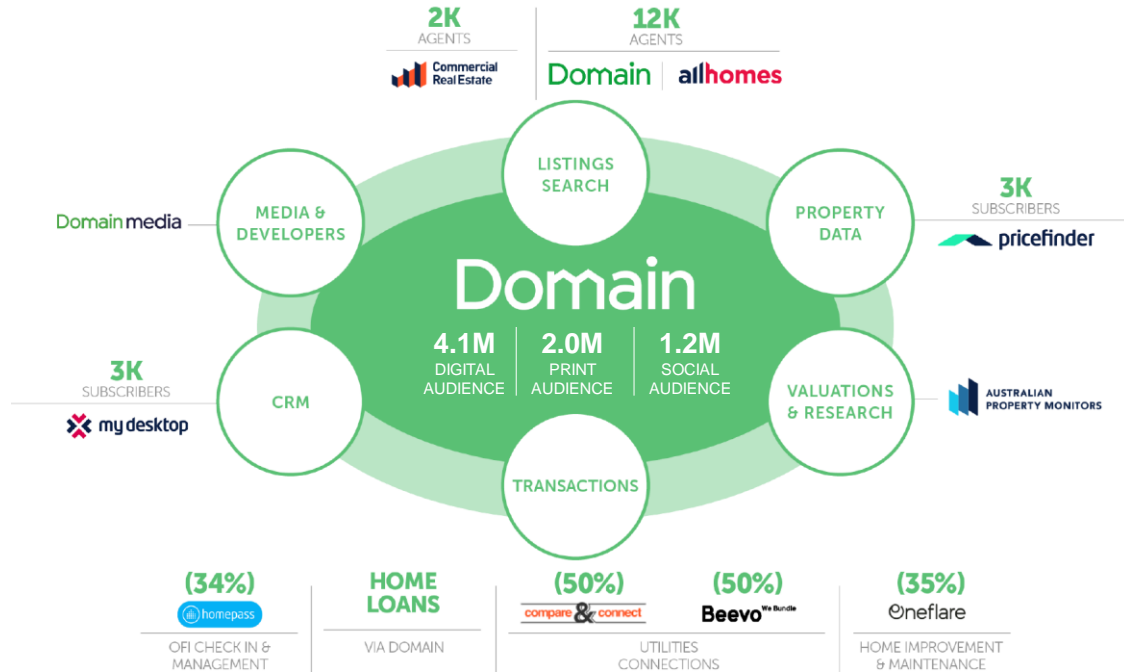


Domain

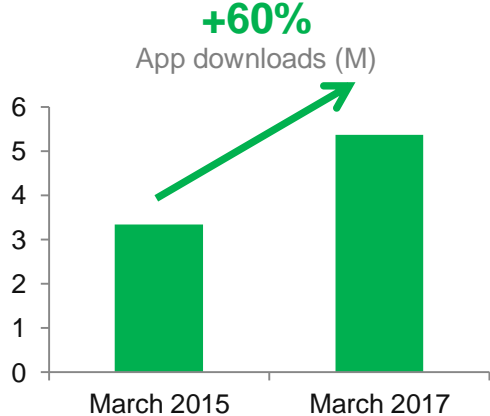
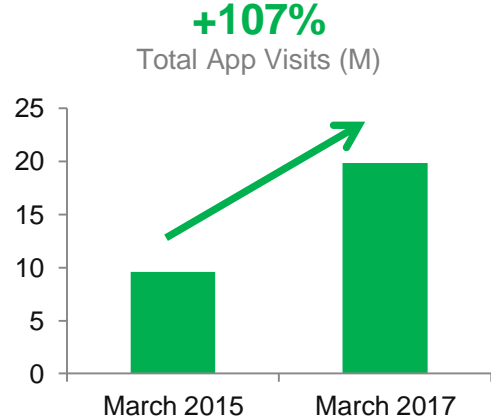
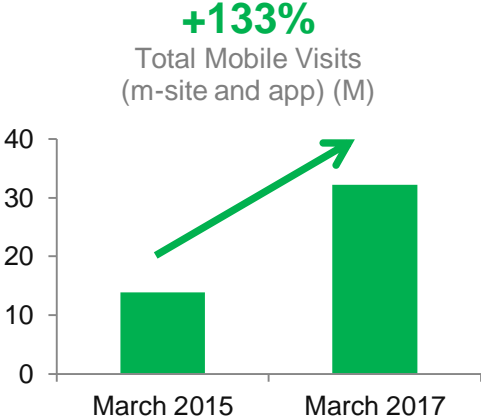
MAXIMISING VALUE OF DOMAIN GROUP'S STRONG PLATFORM AT THE CENTRE OF THE PROPERTY ECOSYSTEM AND GROWING NEW REVENUE

KEY BUSINESS ATTRIBUTES		STRATEGIC DRIVERS OF FUTURE OPPORTUNITY
	HIGH PENETRATION OF RESIDENTIAL AGENTS AND LISTINGS/DEVELOPERS	<ul style="list-style-type: none"> • Geographic expansion nationwide • Further depth product penetration supported by agent ownership model • Yield increases driven by audience growth and new products
Domain media	GROWING, HIGH-QUALITY AUDIENCES AND COMPELLING CONTENT	<ul style="list-style-type: none"> • Significant tail winds from two years of rapid, high-quality audience growth • Increased product effectiveness and yield management • Further enhancing content offering underpinned by high-quality journalism
	STRENGTHENING PENETRATION OF COMMERCIAL REAL ESTATE AGENTS AND LISTINGS	<ul style="list-style-type: none"> • Strong growth in listings sessions • National agent ownership model in place • Significant growth opportunity particularly in Victoria and Queensland
	HIGH UPTAKE OF COMPELLING AGENT SERVICES AND PRODUCTS	<ul style="list-style-type: none"> • Subscriber and yield growth from full service offering: data, CRM and OFI management • Grow new transaction revenues in partnership with agents
	INVESTMENT IN NEW COMPLEMENTARY BUSINESSES AND TRANSACTIONAL SERVICES	<ul style="list-style-type: none"> • Rapid growth in utilities connections and opportunity in home loans • Position in home improvement and trade services • Further opportunities across the property lifecycle

LEVERAGING CORE AUDIENCE STRENGTH ACROSS DIVERSE RANGE OF PROPERTY PRODUCTS AND SERVICES



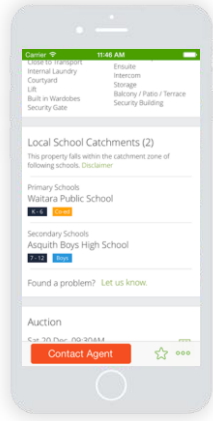
MOBILE IS DRIVING DOMAIN'S AUDIENCE GROWTH



Source: Average monthly visits for Domain, Allhomes and Commercial Real Estate combined. Main site and mobile site visits - Nielsen Market Intelligence (Home & Fashion Suite). Mobile app visits - Google Analytics.

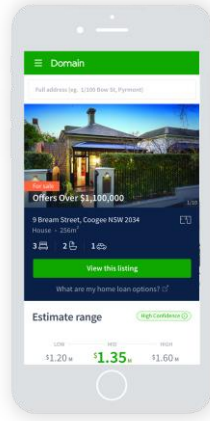
DOMAIN GROUP

DELIVERING FIRST TO MARKET MOBILE-LED PRODUCT INNOVATION



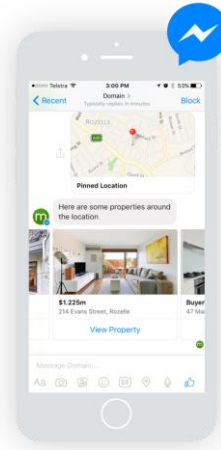
SCHOOL CATCHMENT ZONES

Valuable data on schools and catchment zones displayed on listings to inform property buyers



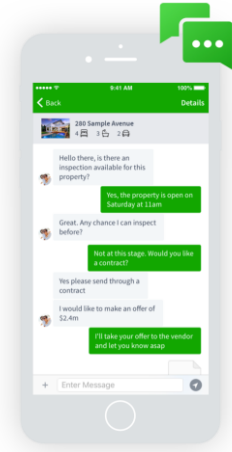
HOME PRICE GUIDE

Easily searchable database of 13m+ properties with estimated property value, sales history and comparable surrounding properties



FACEBOOK MESSENGER BOT

First company in Australia to launch bot facilitating enquiries for properties for sale nearby and providing instant property valuation estimates



CHAT PLATFORM

Direct interaction between consumers and agents using a simplified messenger chat platform

DOMAIN GROUP

AWARD-WINNING MOBILE INNOVATION BENEFITS DOMAIN ECOSYSTEM



Highest rated consumer app for iOS and Android in property category



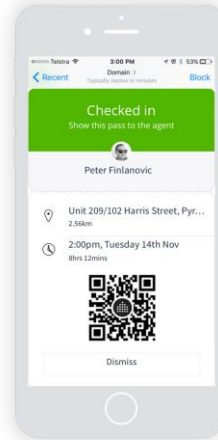
2016 Design Champion Award for Domain Facebook Messenger Chat Bot



2016 Google's Best Local Apps

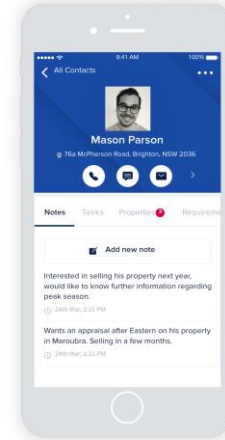


2017 Glomo Awards for Best Mobile App for the Connected Lifestyle



HOMEPASS

Homepass has achieved 1m+ consumers "checked-in" to open for inspections



MYDESKTOP

Domain's market-leading Customer Relationship Management platform supported by best-in-market mobile application

Source: Based on consumer ratings (all versions) in the App Store and Google Play. 28/04/2017.

DOMAIN SEPARATION UPDATE

- Strategic review of Domain Group announced in February 2017 in preparation for Domain's potential separation into a new ASX-listed company in which Fairfax would retain 60% to 70% ownership.
- Process is underway:
 - Appointment of Grant Samuel to prepare an Independent Expert's Report;
 - Discussions being conducted with Australian Taxation Office;
 - Consideration of operational elements, Domain Board composition, commercial and transitional arrangement, and capital structure.
 - It is anticipated that Domain would have approximately \$150 million of net debt following the separation.
- We continue to expect the separation to complete this calendar year, subject to a number of conditions including satisfactory outcome of engagement with the Australian Taxation Office and a Fairfax Shareholder vote.
- Further details to be released in the Scheme Booklet.

PUBLISHING



8.9M
AUSTRALIAN
METRO
DIGITAL/PRINT
AUDIENCE








3.7M
AUSTRALIAN
COMMUNITY
DIGITAL/PRINT
AUDIENCE








3.5M
NEW ZEALAND
DIGITAL/PRINT
AUDIENCE



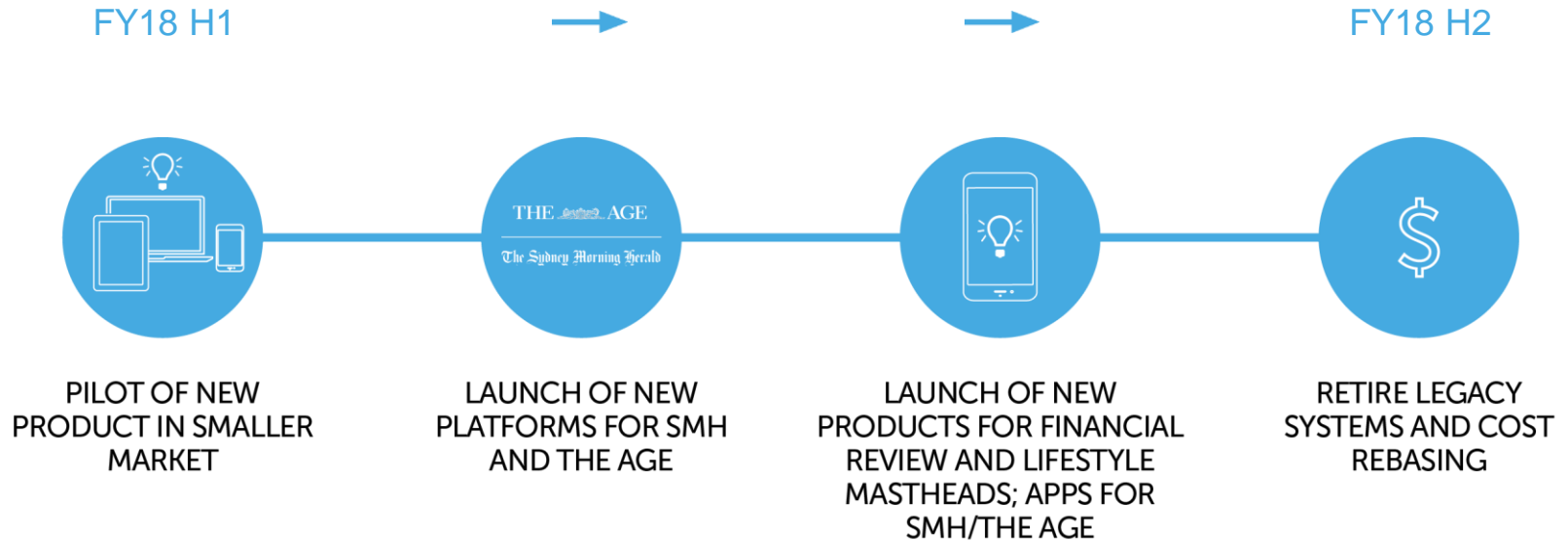
BUILDING A SUSTAINABLE AUSTRALIAN METRO MEDIA PUBLISHING MODEL WITH ENHANCED DIGITAL AND PRINT PRODUCTS, AND ANCILLARY REVENUES

KEY BUSINESS ATTRIBUTES	STRATEGIC DRIVERS OF FUTURE OPPORTUNITY
 <p>TRUSTED BRANDS SUPPORTED BY INDEPENDENT, QUALITY JOURNALISM ACROSS NEWS, BUSINESS AND LIFESTYLE</p>	<ul style="list-style-type: none"> • Leverage high-quality content to build and maintain engaged audiences • Leverage brand safe environments for advertisers • Monetise through digital subscriptions
 <p>LARGE-SCALE, HIGH-QUALITY METRO AUDIENCES AND RICH DATA & INSIGHTS</p>	<ul style="list-style-type: none"> • Better and more targeted advertising/commercial solutions for clients • Supporting growth of new business opportunities and ancillary revenues (e.g. Stan, events)
 <p>MARKET-LEADING DIGITAL CAPABILITY AND PRODUCT INNOVATION</p>	<ul style="list-style-type: none"> • Deeper relationships with most valuable audience and greater engagement through enhanced digital (websites and apps) and print • New products designed to underpin growth in advertising and subscription revenue
 <p>INCREASED DIVERSIFICATION OF REVENUE BASE</p>	<ul style="list-style-type: none"> • Develop new revenue sources (e.g. digital subscriptions, events, e-commerce)
 <p>RESET, REDUCED AND SIMPLIFIED COST STRUCTURE</p>	<ul style="list-style-type: none"> • \$30m editorial annualised costs savings – majority in FY18 • Further technology, back office and support function cost savings





DELIVERING OUR NEXT-GENERATION PUBLISHING MODEL

OBJECTIVE	 <h2>PRODUCT</h2> <p>Enhance digital news experience to make it more valuable to more people, while maintaining focus on quality print</p>	 <h2>EDITORIAL</h2> <p>Efficiently provide the highest quality journalism and content and build on status as a trusted source of news and information</p>	 <h2>COMMERCIAL</h2> <p>Develop new commercial solutions and products, diversifying revenue streams beyond display advertising and subscriptions</p>	 <h2>TECHNOLOGY</h2> <p>Reset technology and support infrastructure with new, simplified and low-cost systems to enable the new model</p>	 <h2>PEOPLE & CULTURE</h2> <p>Reshape business with new management team in place to build sustainable publishing model</p>
DELIVERABLES	<ul style="list-style-type: none"> • New websites for the news mastheads • Focus on engaging our most loyal and valuable audience 	<ul style="list-style-type: none"> • New newsroom management tools • Better commissioning of stories focused on areas of competitive advantage and more efficient use of syndication 	<ul style="list-style-type: none"> • New data-driven commercial solutions and products • New advertising formats with high impact and engagement • Focus on key client relationships 	<ul style="list-style-type: none"> • New consumer products • Simplified workflows • Reduced system and support costs with greater flexibility and agility 	<ul style="list-style-type: none"> • Increased digital capability • Lean, innovative and high-performance culture • Employer of choice for talent retention/acquisition






NEXT STEPS IN PUBLISHING



MAINTAINING COST EFFICIENCY IN AUSTRALIAN COMMUNITY MEDIA WHILE DRIVING DIGITAL GROWTH AND EXPLORING OTHER OPPORTUNITIES

KEY BUSINESS ATTRIBUTES	STRATEGIC DRIVERS OF FUTURE OPPORTUNITY
 <p>TRUSTED BRANDS SUPPORTED BY QUALITY LOCALLY-FOCUSED JOURNALISM AND CONTENT</p>	<ul style="list-style-type: none">• Maintain high penetration and engagement with local communities
 <p>LOCAL AUDIENCES OF SCALE, RICH DATA & INSIGHTS, WITH STRONG LOCAL SALES REPRESENTATION</p>	<ul style="list-style-type: none">• Better and more targeted advertising/commercial solutions for clients• Develop digital marketing services and solutions for local businesses
 <p>NATIONAL NETWORK OF REGIONAL AND RURAL WEBSITES WITH GROWING AUDIENCES</p>	<ul style="list-style-type: none">• Monetise digital audiences and grow digital display advertising revenue• Digital subscription models being trialled
THE LAND LEADING AGRICULTURAL MASTHEADS AND EVENTS	<ul style="list-style-type: none">• Leverage growing agricultural sector• Supporting ancillary revenues (e.g. events)
 <p>CULTURE OF COST EFFICIENCY AND SIMPLIFIED OPERATING STRUCTURE</p>	<ul style="list-style-type: none">• Continued efficiency from optimisation of business operating groups

MONETISING NEW ZEALAND MEDIA'S ENGAGED AND HIGH VALUE AUDIENCES, DIVERSIFYING DIGITAL REVENUE WHILE OPTIMISING PRINT AND DELIVERING EFFICIENCIES

KEY BUSINESS ATTRIBUTES	STRATEGIC DRIVERS OF FUTURE OPPORTUNITY
 <p>TRUSTED BRANDS SUPPORTED BY INDEPENDENT, QUALITY JOURNALISM AND CONTENT</p>	<ul style="list-style-type: none"> • Build and maintain national and local high-quality audiences • Monetise through advertising, e-commerce and transactions
 <p>HIGH-QUALITY NATIONAL AND LOCAL AUDIENCES AND RICH DATA & INSIGHTS</p>	<ul style="list-style-type: none"> • Strong membership strategy built around Stuff and Neighbourly driving audience, data and engagement • Better and more targeted advertising/commercial solutions for clients • Supporting growth of new business opportunities and ancillary revenues
 <p>MARKET-LEADING DIGITAL CAPABILITY AND PRODUCT INNOVATION</p>	<ul style="list-style-type: none"> • Deeper relationships with audience and greater engagement positioning Fairfax NZ at the centre of the digital eco-system • Supporting yield and digital advertising market share (e.g. KPEx, native, mobile)
 <p>INCREASED DIVERSIFICATION OF REVENUE BASE</p>	<ul style="list-style-type: none"> • Develop non-publishing revenue sources (e.g. Stuff Fibre, Events) providing an offset to print revenue declines
 <p>CULTURE OF COST EFFICIENCY AND SIMPLIFIED OPERATING STRUCTURE</p>	<ul style="list-style-type: none"> • Efficiency benefits from greater sales automation • Print portfolio rationalisation

INVESTMENTS

Stan.

700K+
ACTIVE
SUBSCRIBERS

weatherzone°

4.1M
AUDIENCE







MACQUARIE
MEDIA LIMITED

1.7M
AUSTRALIAN RADIO
LISTENERS

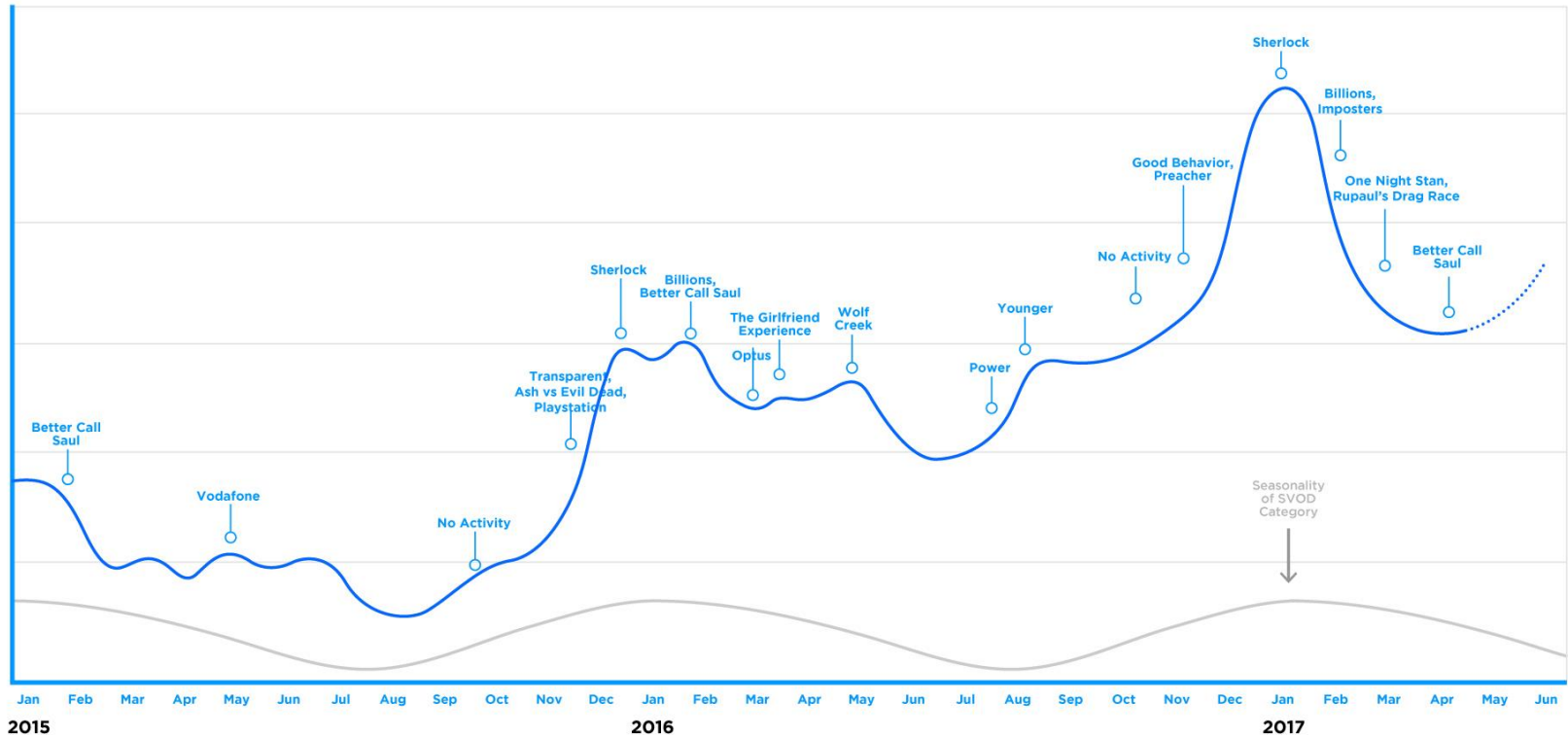
BETTER
CALL
Saul



CREATING VALUE THROUGH DIGITAL VENTURES' INVESTMENT IN HIGH-GROWTH DIGITAL OPPORTUNITIES AND PORTFOLIO MANAGEMENT

KEY BUSINESS ATTRIBUTES	STRATEGIC DRIVERS OF FUTURE OPPORTUNITY
 <p data-bbox="266 430 612 452">SCALABLE DIGITAL BUSINESSES</p>	<ul data-bbox="1025 390 1673 489" style="list-style-type: none">• Utilise partnerships and JVs for increased capability and capacity• Leverage Fairfax's brands and audiences• Value creation through portfolio management (e.g. divestment: Stayz, Tenderlink; e.g. investment: Weatherzone)
 <p data-bbox="266 547 935 601">PORTFOLIO OF LEADING GLOBAL DIGITAL PUBLISHING PARTNERSHIPS AS WELL AS DIFFERENTIATED LOCAL BRANDS</p>	<ul data-bbox="1025 554 1667 598" style="list-style-type: none">• Build audience and advertising revenue across Allure Media, HuffPost Australia, Weatherzone and Kin Community
 <p data-bbox="266 681 620 703">DIVERSIFIED REVENUE STREAMS</p>	<ul data-bbox="1025 663 1412 736" style="list-style-type: none">• B2C subscriptions (e.g. Stan, RSVP/Oasis)• B2B subscriptions (e.g. Weatherzone)• Transactions (e.g. RSVP/Oasis)
 <p data-bbox="266 787 826 896">WORLD-CLASS DIFFERENTIATED SVOD CONTENT UNDERPINNED BY EXCLUSIVE SHOWTIME OUTPUT DEAL, BEST OF GLOBAL STUDIOS AND NETWORKS AND ORIGINAL LOCAL PRODUCTIONS</p>	<ul data-bbox="1025 809 1754 882" style="list-style-type: none">• Ongoing subscriber momentum (700k+ active subscribers as at February 2017)• Mass market consumer reach through Fairfax/Nine assets• Cash flow breakeven in FY18

STAN'S SIGN-UP RUN RATE IS ACCELERATING



CONTENT EXCLUSIVES DRIVING SUBSCRIPTIONS



Sherlock



Billions



Underground



One Night Stan



Better Call Saul



I'm Dying Up Here

JAN

FEB

MAR

APR

MAY

JUN



Trollied



Imposters



Regular Show



iZombie



Twin Peaks



Preacher

CONTENT EXCLUSIVES DRIVING SUBSCRIPTIONS



Angie Tribeca



The Last Ship



Power



Younger



Transparent



Ash vs Evil Dead



Mozart In The Jungle



UnREAL



Stan Original



The Girlfriend Experience



Dice



Stan Original






Good Behavior



Purity

MAXIMISING OPPORTUNITY OF MACQUARIE MEDIA'S NO. 1 STATIONS IN SYDNEY AND MELBOURNE AND NATIONAL RADIO NETWORK STRENGTH

KEY BUSINESS ATTRIBUTES	STRATEGIC DRIVERS OF FUTURE OPPORTUNITY
 <p>LARGE-SCALE NATIONAL AUDIENCES WITH NO. 1 STATIONS IN SYDNEY (2GB) AND MELBOURNE (3AW)</p>	<ul style="list-style-type: none">• Radio advertising industry resilience• Network sales upside from leadership position in key markets
 <p>HIGH-PROFILE TALENT AND PROGRAMMING EXPERTISE</p>	<ul style="list-style-type: none">• Content syndication driving audience share and revenue upside• New cost-efficient lifestyle talk and ad formats attracting audiences and advertisers
 <p>CULTURE OF COST EFFICIENCY</p>	<ul style="list-style-type: none">• Cost-efficient national sales and programming footprint

TRADING UPDATE

TRADING UPDATE

- Overall Group revenues are 6% below last year for the first 17 weeks of FY17 H2 (26 December 2016 to 23 April 2017). Revenue across our current reporting segments:
 - Domain overall revenue is up 10% with its total digital business up 18%;
 - Metro Media is down around 11%;
 - Australian Community Media is down around 11%;
 - New Zealand Media is down around 3% including currency impact;
 - Macquarie Media is down around 7%.
- Cost savings initiatives are ongoing across the Fairfax Group.

Q & A

THANK YOU



DISCLAIMER

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