Fairfax Media

2012 Full Year Results

Investor Briefing, 23 August 2012

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Presentation Overview

Introduction	Greg Hywood
CEO Commentary • Metro Media - News, Print and Digital - Digital Transactions - Financial Review Group • Fairfax Regional Media • New Zealand Media • Broadcasting • Trade Me	Greg Hywood
Fairfax of the Future	Greg Hywood
Current Trading Environment and Outlook	Greg Hywood
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Q&A	
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Metro Media Segment Reconciliation
Printing Operations

Fairfax Media

Overview

- **Reported Result**
  - Group revenue decline of 6% to $2.3 billion
  - Digital revenues across the group up 20%
  - Metro Media segment print revenues down 13%
  - Regional segment print revenues down 3%
  - Group print publishing costs down 4%
  - Reported net loss after tax of $2.73 billion after non cash impairment charge of $2.8 billion and restructure/redundancy charge of $140 million
- **Underlying Result**
  - EBITDA of $506m in a challenging trading environment
- **Fairfax of the Future**
  - Transformation plan contributed $21million EBITDA benefit in FY12 and $56m annualised cost savings in FY12
- **Strong Cash Flow and Strengthening Balance Sheet**
  - Reduced net debt by $574 million to $914 million using operating cash flow and proceeds from asset sales
  - Net debt to EBITDA of 1.8 times
- **Dividend**
  - 1cps with payout ratio consistent with interim dividend payout ratio of 35%

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Group Trading Performance

	As Reported		Significant Items		Underlying Trading Performance	
	24 Jun 2012 $'m	26 Jun 2011 $'m	24 Jun 2012 $'m	26 Jun 2011 $'m	24 Jun 2012 $'m	26 Jun 2011 $'m
Total revenue	2,328.1	2,465.5	-	-	2,328.1	2,465.5
Associate profits	1.7	3.4	-	-	1.7	3.4
Expenses	4,888.4	2,549.6	3,064.6	688.1	1,823.8	1,861.5
Operating EBITDA	(2,558.6)	(80.7)	(3,064.6)	(688.1)	506.0	607.4
Depreciation and amortisation	107.5	114.4	-	-	107.5	114.4
EBIT	(2,666.1)	(195.0)	(3,064.6)	(688.1)	398.5	493.1
Net interest expense	111.7	108.0	-	-	111.7	108.0
Net (loss)/profit before tax	(2,777.8)	(303.1)	(3,064.6)	(688.1)	286.8	385.1

Fairfax Media

CEO Commentary

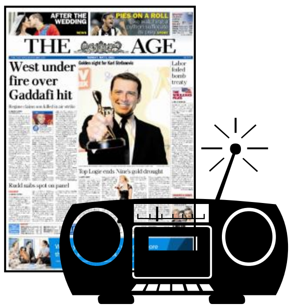
Greg Hywood, Chief Executive Officer & Managing Director

We are the leading multi-platform media company in Australasia

Digital news media & transactions co.

Independent quality journalism & content

Horizontal Media coverage



Print/Radio

Online

Smartphones/ Tablets

Smart TV/IPTV

Cross-platform audiences

- Circ/Subs/pay for content
- Advertising
- Digital Transactions
- Data, events etc

Monetise audiences through the day

At the core of our strategy is the distribution of our journalism across converging multi-platforms, and the aggregation and monetisation of audiences via multiple revenue streams

Metropolitan Media

Comprises National, Sydney, Melbourne & Canberra metro newspapers and magazines, community publications, classifieds and Australian news and transactional sites

Metropolitan Media	FY12 A$'m	FY11 A$'m	% change
Advertising	**805.2**	910.8	(11.6%)
Circulation	**189.0**	197.3	(4.2%)
Other	**138.7**	123.9	12.0%
Total Gross Revenue	**1,132.9**	1,232.0	(8.0%)
Internal Revenue	**(2.4)**	(1.3)	
Net Revenue	**1,130.6**	1,230.7	(8.1%)
Costs	**1,028.1**	1,075.5	4.4%
EBITDA	**102.5**	155.2	(34.0%)
EBIT	**76.7**	128.0	(40.1%)
Margin	**9%**	13%	(30.8%)

* Includes a like for like adjustment to comparatives of $10m in other revenue for online traffic fees between the news and transaction sites in FY11 which was charged for the first time in FY12 and an allocation of editorial costs.

- Structural change and a strengthening cyclical downturn continue to undermine Metro Media revenues.

- To illustrate progress in transitioning this business, further transparency has been provided to break out earnings into print and digital. Refer to appendix for reconciliation of Metro Media businesses to the segments.

Fairfax Media

Metropolitan Media (cont'd)

News Print & Digital

SMH, AGE and Print Classifieds Proforma After Editorial cost allocation and print site contribution	FY12 A$'m	FY11 A$'m	% change
Advertising	**401.7**	485.0	(17.2%)
Circulation	**127.5**	132.0	(3.4%)
Other	**36.0**	35.6	1.1%
Total Gross Revenue	**565.2**	652.7	(13.4%)
Internal Revenue	**(1.0)**	(0.7)	
Net Revenue	**564.2**	652.0	(13.5%)
Costs	**501.4**	546.2	8.2%
EBITDA	**62.8**	105.7	(40.6%)
Printing Contribution	**22.7**	34.1	(33.4%)
Adjusted EBITDA	**85.5**	139.8	(38.9%)

Proforma includes an allocation of 50% of editorial costs in SMH/Age to Metro Digital and EBITDA contribution of Chullora and Tullamarine

Metro Digital Proforma * Including online classifieds, Aust news and transaction sites	FY12 A$'m	FY11 A$'m	% change
Advertising	**162.4**	145.1	11.9%
Circulation	**-**	-	-
Other	**90.5**	75.3	20.1%
Total Gross Revenue	**252.9**	220.4	14.7%
Internal Revenue	**(1.1)**	0.1	
Net Revenue	**251.8**	220.5	14.2%
Costs	**233.4**	216.0	(8.1%)
EBITDA	**18.4**	4.5	306.1%

* Proforma includes a like for like adjustment to comparatives of $10m in other revenue & costs for online traffic fees between the news and transaction sites in FY11 which was charged for the first time in FY12. An allocation of editorial costs have been included in FY12. Shared costs are not allocated to the extent which may be necessary for a standalone business.

- We are making considerable progress in transitioning Metro Media:
  - Maintained a profitable print business during an extraordinary period of structural change.
  - In parallel we are growing Metro Media's digital leadership in preparation for a landscape where certain categories of print may no longer be profitable.
  - Extracting continued print profitability through reduction in ineffective circulation, without losing advertising market share, remains our focus.
  - Anticipate that Metro Digital will be increasingly profitable once digital subscriptions are introduced with continued advertising growth.

Metro Media Transformation Activities

We are delivering a market leading multi-platform digital media business with growing new revenue streams well leveraged to any cyclical upturn.

These transformation initiatives will take time to stabilise and grow earnings with the full impact not effective until FY15.

We will retain strong cost disciplines and run the mastheads as profitable businesses in any mix of format.

We will continue to preserve the Metro Media print product for as long as it is profitable, providing our growing digital news business with time to mature.

Key transformation initiatives in FY12 include:

- SMH and the Age to convert to contemporary print formats by March 2013
- Introduction of a digital subscription model for the Metro mastheads by March 2013
- Closure of the Chullora and Tullamarine printing plants by June 2014, providing flexibility to convert to a digital only model
- Increased and accelerated annualised cost savings to $235m by FY15 and $248m in restructuring costs with 50% attributed to Metro Media
- A digital first editorial model implemented from July 2012
- Removed ineffective circulation that offers nothing to advertisers whilst maintaining readership market share
- Integration of sales across channels
- Consummated JV for Melbourne community publishing

Fairfax Media

In the last 5 years our metro audience reach has grown by 30% to over 7 million people

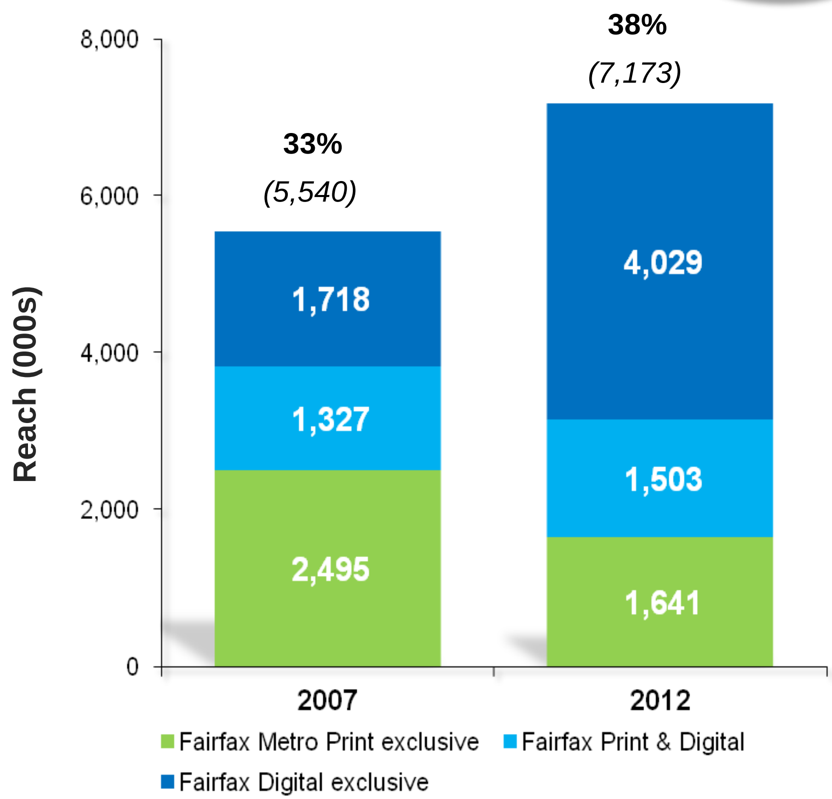
Market Total

People who access the Internet at least monthly has grown from 73% to 90% of the population

People who read a newspaper in the last 7 days has declined from 80% to 64%

Fairfax Audience by Media Type
% of population
(000s in brackets)

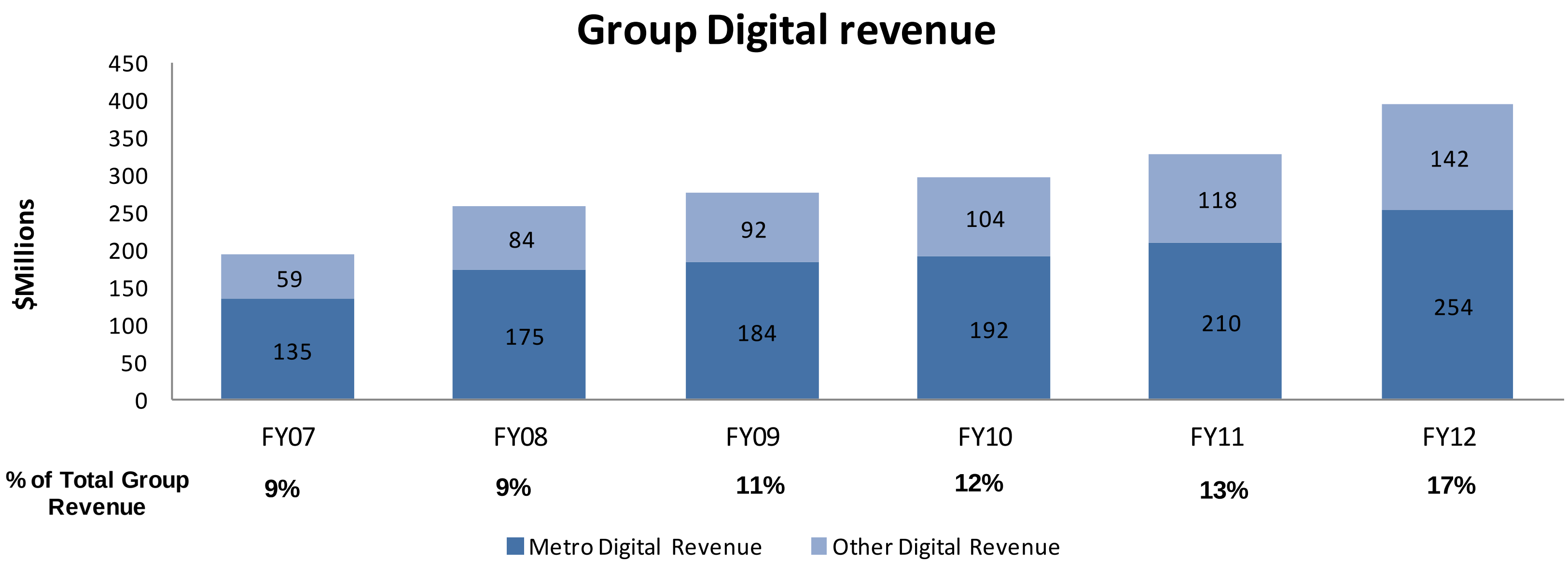
30% Growth



Source: Roy Morgan Data March 2012 v March 2007. Fairfax Metro Print = SMH M-Sun net & AGE M-Sun net, GW, SL, TSM, TMM. Fairfax Digital = Any Fairfax site visited in the last 4 weeks. Note: Online audience estimate is regarded as very conservative

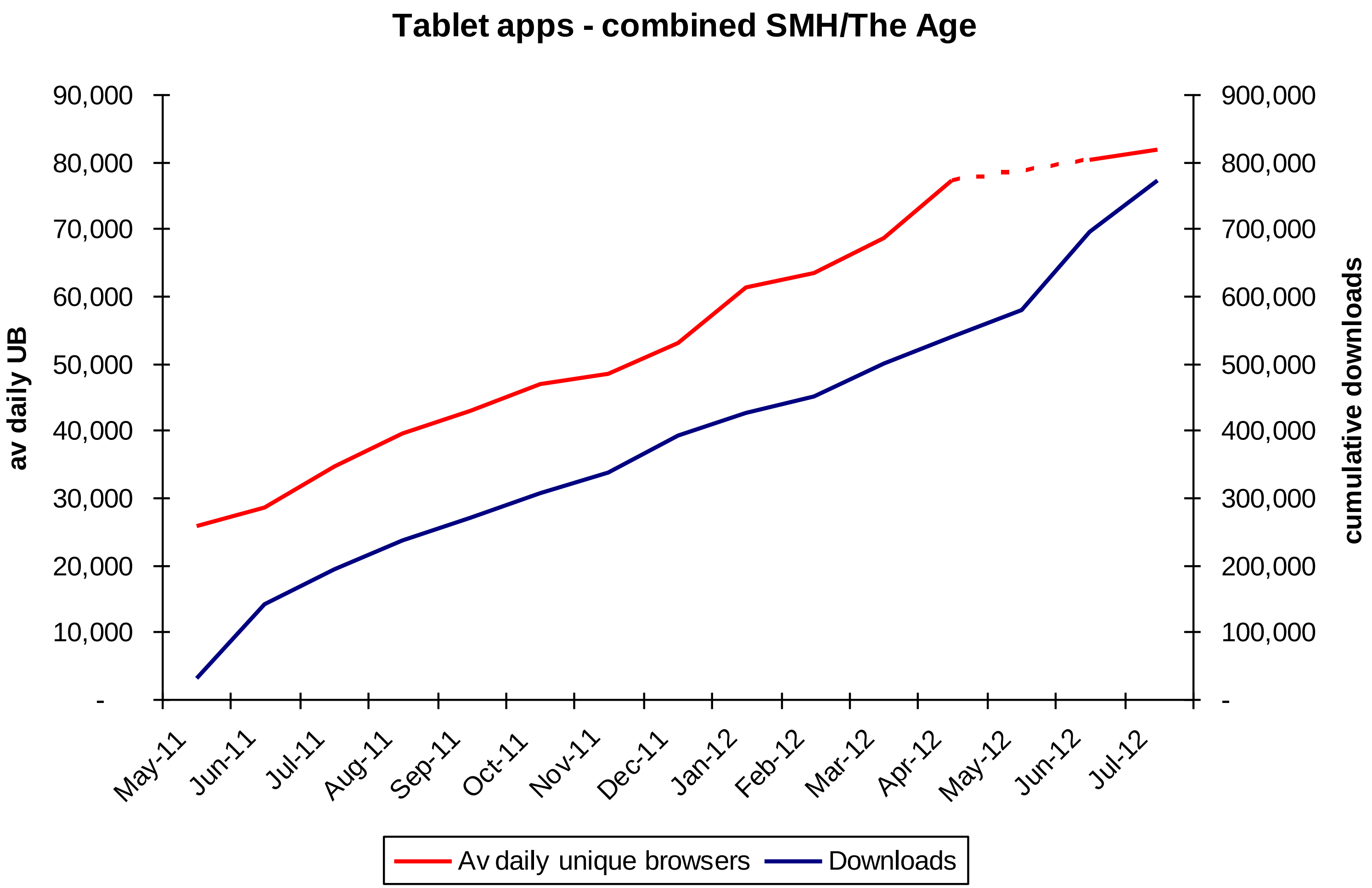
Fairfax Media

Metropolitan Media's share of digital revenue



- Strong digital growth with total group revenues up 20% in FY12 to $395.7m.
- Leading market share in digital with the No 1 and 3 news sites in Australia.
- Metropolitan Media digital revenue includes Australian metropolitan news sites, online classifieds and transaction sites on tablet, mobile and online platforms.
- Metro Digital CAGR of 13% over the last 6 years and 19% increase in the current year to $251m. Metro Digital does not include ACT, FRG and Communities.

Tablet apps – consumer take up



Sources; AppFigures, Google Analytics
Due to technical issues with Google Analytics tracking code, complete data for average daily unique browsers for May & June 2012 is unavailable.

Metro Media - Digital Transactions

Transactions	FY12 A$'m	FY11 A$'m	% change
Advertising	**8.3**	7.1	16.9%
Circulation	**-**	-	-
Other	**66.0**	52.8	25.0%
Total Gross Revenue	**74.3**	59.9	24.0%
Internal Revenue	**(0.1)**	-	
Net Revenue	**74.2**	59.9	23.9%
Costs	**42.9**	33.0	(29.9%)
EBITDA	**31.3**	26.9	16.4%
EBIT	**25.2**	24.7	2.1%
Margin	**42%**	45%	(6.1%)

- Each month our Australian transactional brands reach over 4.5 million consumers across print, online and mobile, producing more than 1.1 million transactions.
- Stayz revenue and EBITDA up 22% and 32%[1] with strong growth in bookings and listings supported by new online payments capability.
- RSVP held #1 market position in an increasingly competitive dating category. Strong take up of mobile channels through new product development.
- Tenderlink revenue and EBITDA up 11% and 28%[1] with revenue growth supported by a market looking for greater transparency in tendering processes (particularly in local government) and integration with SMH and The Age print products.
- Focus on mobile-first strategy across all businesses – 35% of audience now accessing through mobile devices (1.8 million app downloads across all products).

[1] Pro forma full year growth incorpora ing pre-acquisition results for Occupancy (Stayz) and Tenderlink businesses

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Financial Review Group

Comprises Australian Financial Review, magazines and FRG Asia

FRG	FY12 A$'m	FY11 A$'m	% change
Advertising	**72.3**	82.3	(12.2%)
Circulation	**48.8**	52.3	(6.7%)
Other	**8.9**	8.8	1.1%
Total Gross Revenue	**130.0**	143.4	(9.3%)
Internal Revenue	**-**	(0.1)	
Net Revenue	**130.0**	143.3	(9.3%)
Costs	**123.9**	131.2	5.6%
EBITDA	**6.0**	12.1	(49.6%)
EBIT	**3.1**	8.6	(64.0%)
Margin	**5%**	8%	(37.5%)

- Suffered poor second half due to downturn in the finance sector impacting the employment category.
- Declines in print circulations and digital subscription following the December 2011 pricing changes have been partially offset by increased volumes of subscribers.
- FRG is in a turnaround phase with new management moving to reinvigorate existing mastheads while extending the franchises into new digital and multimedia platforms.
- The Financial Review iPad app launched in May has achieved 45,000 downloads in three months.
- Traffic to afr.com has risen by more than 50% in FY12 allowing the group to grow its paid online subscriber base to more than 20,000 (including bundled newspaper subscriptions).

Fairfax Media

Fairfax Regional Media

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

Fairfax Regional Media	FY12 A$'m	FY11 A$'m	% change
Advertising	**447.6**	457.7	(2.2%)
Circulation	**101.3**	102.4	(1.1%)
Other	**24.9**	27.7	(10.1%)
Total Gross Revenue	**573.8**	587.8	(2.4%)
Internal Revenue	**(2.2)**	(2.1)	-
Net Revenue	**571.6**	585.7	(2.4%)
Costs	**412.5**	410.8	(0.4%)
EBITDA	**159.1**	174.9	(9.0%)
EBIT	**152.9**	165.0	(7.3%)
Margin	**28%**	30%	(6.7%)

* Online revenue of $5.8m has been re-categorised in the prior year to Advertising revenue from Other revenue for comparison purposes as now separately tracked and advertising in nature.

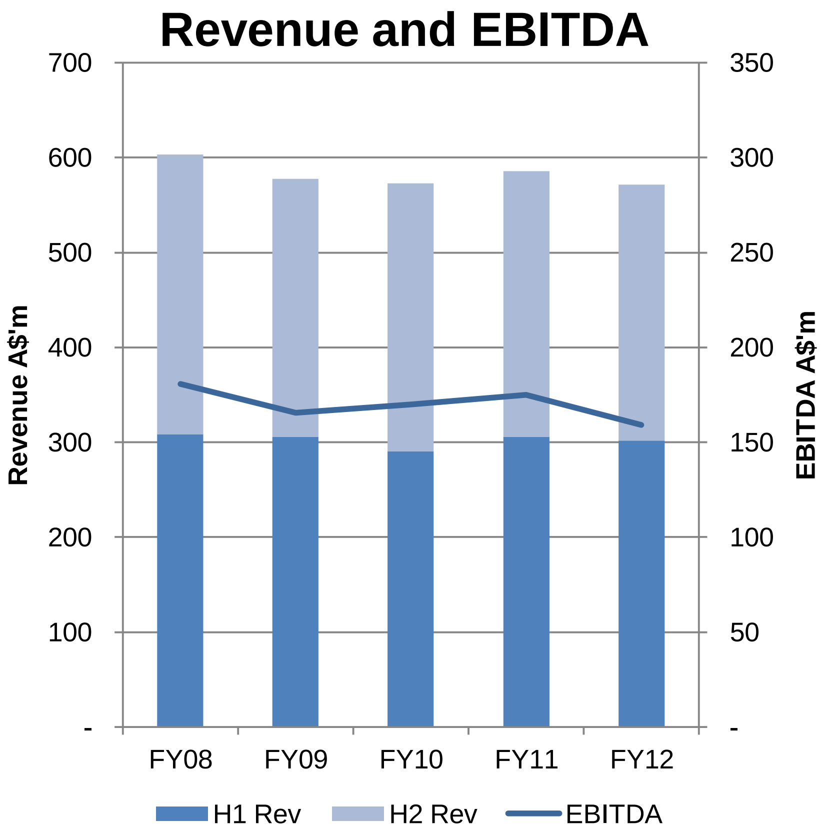
- Resilient revenue performance.
- Cost reduction in the current year off-set by investment in digital.
- Continues to be the largest contributor to Fairfax Media's EBITDA at 30%.

Fairfax Media

Fairfax Regional Media (cont'd)

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

- Strong defensive characteristics driven by:
  - Unique local content
  - On average paid publications reach 75% of the local population
  - Strong market position in each market with over 200 mastheads Australia wide
  - Strong local advertising component vs national
  - Low classified exposure
- Online revenue growth of 34%.



New Zealand Media

102 newspaper and magazine publications and 42 websites

New Zealand	FY12 NZ$'m	FY11 NZ$'m	% change
Advertising	**300.8**	322.7	(6.8%)
Circulation	**129.1**	136.7	(5.6%)
Other	**13.3**	11.1	19.8%
Total Gross Revenue	**443.2**	470.5	(5.8%)
Internal Revenue	**(0.9)**	(1.2)	(25.0%)
Net Revenue	**442.3**	469.3	(5.8%)
Costs	**364.2**	382.6	4.8%
EBITDA	**78.1**	86.7	(9.9%)
EBIT	**67.6**	76.1	(11.2%)
Margin	**18%**	18%	(4.5%)

- Economic conditions remain difficult with the Christchurch rebuild activity slow to get underway.
- Slowing advertising revenue decline of 5% in the second half following a 9.0% decline in the first half.
- Digital revenue increased 13% to NZ$11.3m.
- Key cost initiatives such as outsourcing of production were initiated in the first half and were completed by March 2012.

Fairfax Media

Broadcasting

Comprises Regional and Metropolitan radio stations

Broadcasting	FY12 A$'m	FY11 A$'m	% change
Advertising	**93.1**	106.8	(12.8%)
Circulation	**-**	-	-
Other	**4.1**	4.9	(16.3%)
Total Gross Revenue	**97.3**	111.7	(12.9%)
Internal Revenue	**(0.1)**	-	-
Net Revenue	**97.2**	111.7	(13.0%)
Costs	**83.3**	84.9	1.9%
EBITDA	**13.9**	26.8	(48.1%)
EBIT	**11.3**	24.2	(53.3%)
Margin	**14%**	24%	(41.7%)

- FY12 performance was heavily impacted by the disruption of the sale process and management changes.
- Sale process was terminated in October 2011 and Adam Lang appointed as CEO effective March 2012 and is leading turnaround of the business.
- Performance of all stations impacted but now recovering: 3AW remains #1 in Melbourne, 96FM recently attained #1 in Perth; but 2UE in Sydney remains challenged.
- Focus now on broadening the product and audience for all news talk stations, driving greater collaboration across the radio network and greater integration with the broader Fairfax group.
- Regional Radio was sold in October 2011 and results are included up to the date of sale.

Fairfax Media

Trade Me

Trade Me	FY12 NZ$'m	FY11 NZ$'m	% change
Advertising	**66.4**	57.1	16.4%
Circulation	**-**	-	-
Other	**79.8**	67.0	19.1%
Total Gross Revenue	**146.2**	124.1	17.9%
Internal Revenue	**-**	-	
Net Revenue	**146.2**	124.1	17.9%
Costs	**35.9**	24.9	(44.6%)
EBITDA	**110.3**	99.2	11.2%
EBIT	**105.1**	95.7	9.9%
Margin	**75%**	80%	(5.7%)

- Successful IPO of 34% of Trade Me in December 2011 and subsequent divestment of 15% in June 2012.
- General items: Both volumes and yield tracked to expectations. Somewhat variable performance over H2. New goods strategy on track, but will take time to deliver meaningful upside.
- Classifieds: Strongest performance in Motors and Property, both ahead of forecast. Jobs slightly behind forecast, but still up 25% YOY.
- Other: Display advertising and Treat Me both growing but slightly under PFI expectations. Travel and FindSomeone showed strong growth, both ahead of expectations.
- Total Gross revenue includes share of profit from associate and Gain on Autobase sale.

Fairfax Media

Fairfax of the Future

Fairfax of the Future project is transforming the way we do business

Fairfax of the Future

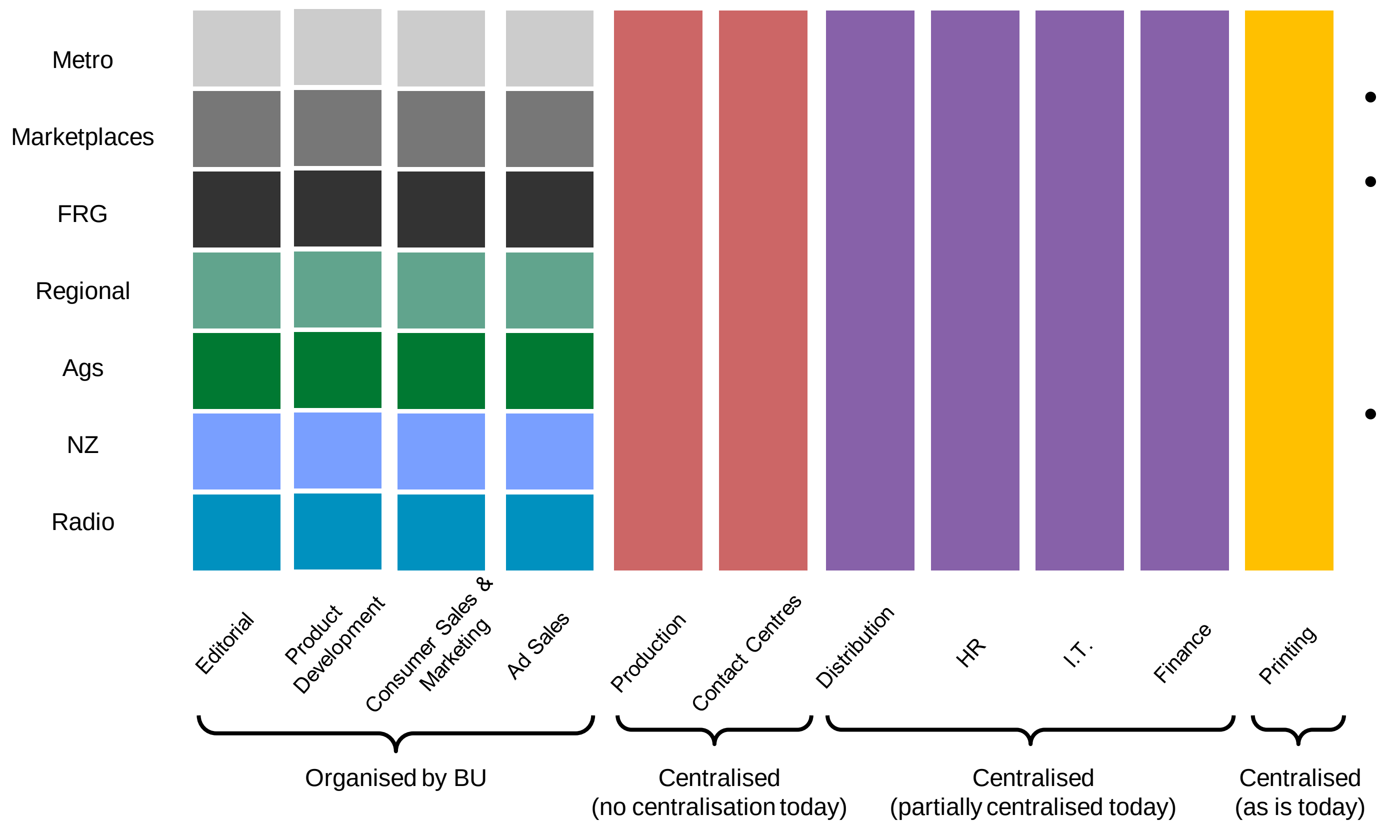
- We are reshaping the way we do business
- We have a clear and detailed 3 year implementation plan
- Established Results Delivery Office sponsored by CFO, Brian Cassell

Transform from print to digital	Share content across platforms	Centralise sales, systems and services	Focus on audience vs circulation

Reduce duplication	Partner & outsource	Increase efficiency and flexibility

Project objective is to deliver earnings growth from reshaping the business and resetting the cost base

Changes to the organisational structure are required to ‘unlock’ whole-of-company FOF opportunities



- A number of FoF initiatives require a whole-of-company approach
- In order to maximise FoF opportunities it is now appropriate to consider the group organisational structure
  - Relevant to thinking about the future state of the company
- Key principles:
  - Maintain ownership of core customer-facing activities in BUs
  - Centralise common activities to enable a whole of Fairfax approach to unlock savings and variablise costs

Fairfax of the Future Initiatives

INITIATIVE	OUTLINE
Finance & Procurement	seeks improvements through centralisation, standardisation of processes and systems, and simplification of reporting. The initiative will also examine savings through procurement of third-party goods and services
Printing & Distribution	focuses on reducing fixed printing costs by scaling down some activities, closing a number of facilities, lowering distribution costs by optimising the local delivery and linehaul network, and pursuing partnership opportunities where appropriate
Corporate real estate	seeks to improve management of the company's real estate portfolio by maximising utility as well as more efficient facilities management
IT	is focused on streamlining the use of applications, infrastructure and resources to improve overall efficiency and effectiveness of IT support across the business
Contact centres	seeks more efficient inbound and outbound customer interactions. This initiative will look to streamline sales activities and reduce overlap in business unit activities
Production levers	seeks to reduce printing costs by adjusting publishing methods. This includes outsourcing production in areas of excess capacity and rationalisation of unprofitable publications
Ad layout and sub-editing	seeks to remove geographical and business-unit boundaries in advertising/pre-press production and editorial production (sub editing) to achieve industry-leading productivities at reduced cost. The restructure of production will include the consolidation and centralisation of manpower and systems
Editorial	builds on the transformation project already underway in the Metro division to deliver an integrated newsroom and improved content management infrastructure. The initiative will see increased sharing of content and more efficient use of third-party content
Circ & Marketing	seeks to improve the management of print circulation by targeted reduction of ineffective circulation and to improve the effectiveness of consumer promotions

Result for FY12 Fairfax of the Future Program

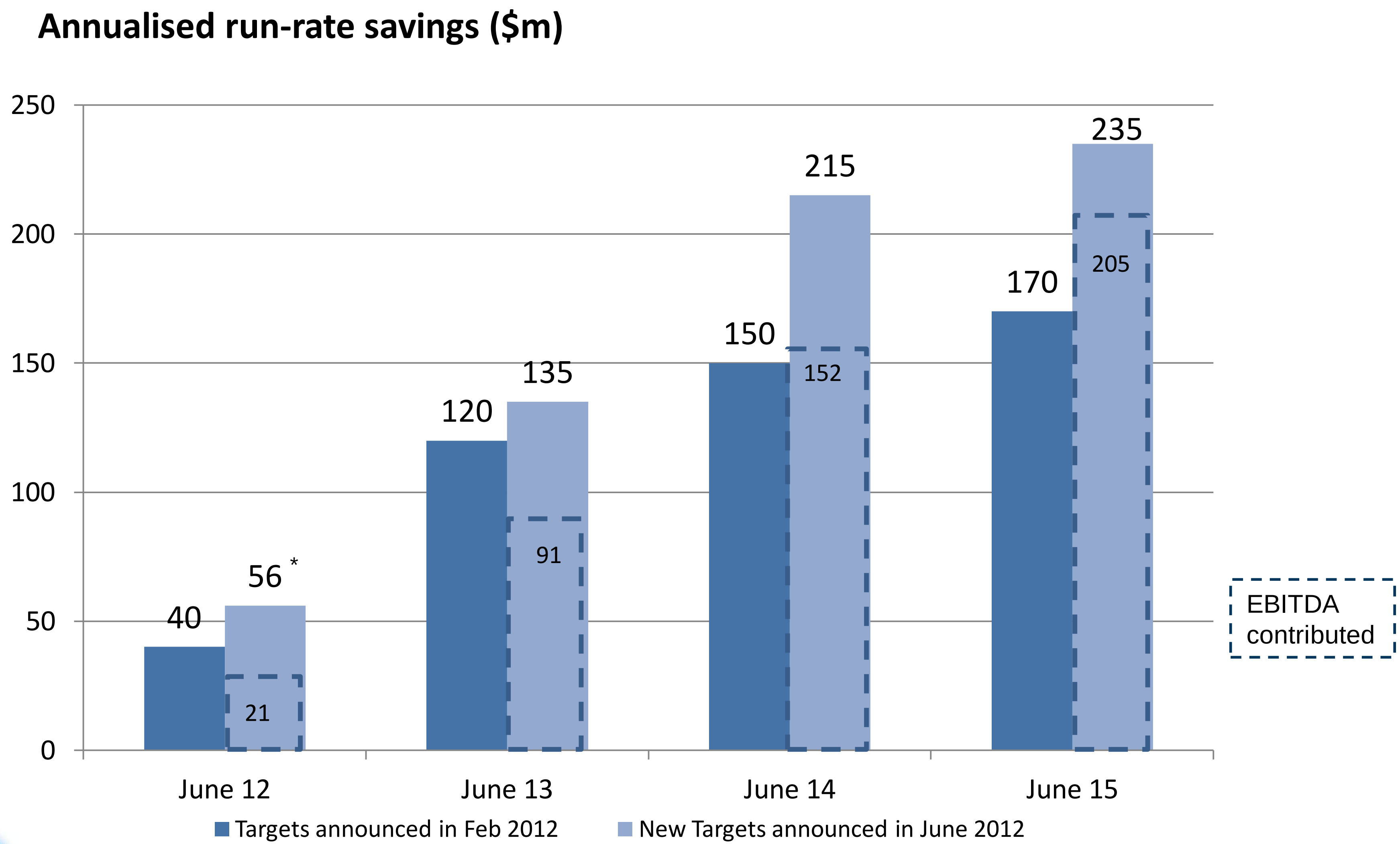
The implementation of structural changes during FY12 resulted in total annualised cost savings achieved of $56.1 million of which there was a $21m EBITDA benefit in FY12

Key actions taken:

- Rationalisation of production and print functions across Australia and New Zealand
- Restructure of support services including IT and Finance
- Removed ineffective circulation channels from SMH and The Age that offers no value to advertisers whilst maintaining readership market share
- Improved yield on SMH and The Age subscriptions
- Reduced variable printing costs through production changes

Fairfax Media

On 18 June 2012 we announced new project targets



* Actual run rate achieved

Current Trading Environment & Outlook

Current Trading Environment

- Deteriorating economic conditions in our core advertising markets
- Early FY13 revenues 10% below prior year
- Ongoing structural changes in our Metro business
- Difficult trading conditions are likely to continue

Outlook

- Fairfax is making considerable progress in transforming the business in a challenging structural and cyclical environment. The group is undergoing the most substantial restructure in its history.
- The transformation objective is to stablise print businesses and accelerate online growth. The full impact of this transition will take some time to materialise.
- We have a market leading integrated multi-platform media business. Out task is to grow new revenue streams and ensure we are leveraged to any cyclical upturn. We will achieve this through
  - Continued decisive leadership in the development and monetisation of online news platforms
  - Focused audiences growth, with the largest news audience in Australia
  - Maintaining financial discipline with a prudent capital structure to support the trading environment
  - Rigorous cost disciplines in Metro Media Print with the objective to maintain them as a profitable business
  - Continued development of a profitable Metro Media online business with strong revenue growth.

Fairfax Media

Group Financials

Brian Cassell

Chief Financial Officer

FY12 Results by Reporting Segment

FY12 Results (excluding significant items)	Revenue			EBITDA		
	FY12 A$m	FY11 A$m	% change	FY12 A$m	FY11 A$m	% change
Metropolitan Media	1,130.6	1,220.7	(7.4)%	102.5	155.2	(33.9)%
Fairfax Regional Media	571.6	585.7	(2.4)%	159.1	174.9	(9.0)%
Printing Operations	474.8	539.4	(12.0)%	78.5	103.5	(24.1)%
Trade Me	114.0	95.2	19.7%	86.0	76.1	13.0%
New Zealand Media	344.9	360.5	(4.3)%	61.5	67.6	(9.0)%
Broadcasting	97.2	111.7	(13.0)%	13.9	26.8	(48.2)%
Corporate and Other	8.7	12.0	(27.8)%	4.4	3.3	34.2
Less internal printing sales	(411.9)	(456.3)	(9.7)%	-	-	-
Total	**2,329.8**	**2,468.9**	**(5.6)%**	**506.0**	**607.4**	**(16.7)%**

NZ Businesses in local currency						
Trade Me (NZ$)	143.6	124.1	15.8%	110.3	99.2	11.2%
New Zealand Media (NZ$)	442.2	469.3	(5.8)%	78.0	86.7	(10.0)%

Fairfax Media

FY12 H2 Results by Reporting Segment

FY12 H2 Results (excluding significant items)	Revenue			EBITDA		
	FY12 H2 A$m	FY11 H2 A$m	% change	FY12 H2 A$m	FY11 H2 A$m	% change
Metropolitan Media	520.2	574.8	(9.5)%	28.1	52.6	(46.7)%
Fairfax Regional Media	269.9	279.6	(3.5)%	70.2	79.0	(11.1)%
Printing Operations	221.4	256.2	(13.6)%	33.2	46.7	(29.0)%
Trade Me	61.4	48.4	26.8%	45.4	38.8	17.1%
New Zealand Media	168.1	168.2	(0.1)%	29.1	27.0	8.0%
Broadcasting	44.3	54.2	(18.2)%	4.2	11.2	(62.3)%
Corporate and Other	2.7	5.9	(53.6)%	(0.5)	5.1	(110.3)%
Less internal printing sales	(191.8)	(217.6)	(11.8)%	-	-	-
Total	**1,096.3**	**1,169.8**	**(6.3)%**	**209.7**	**260.4**	**(19.4)%**
NZ Businesses in local currency						
Trade Me (NZ$)	76.3	64.4	18.5%	58.3	51.5	13.2%
New Zealand Media (NZ$)	216.0	223.5	(3.4)%	37.1	34.6	(7.2)%

FY12 H1 Results by Reporting Segment

FY12 H1 Results (excluding significant items)	Revenue			EBITDA		
	FY12 H1 A$m	FY11 H1 A$m	% change	FY12 H1 A$m	FY11 H1 A$m	% change
Metropolitan Media	610.4	645.9	(5.5)%	74.4	102.5	(27.5)%
Fairfax Regional Media	301.7	306.1	(1.4)%	88.9	95.9	(7.3)%
Printing Operations	253.4	283.2	(10.5)%	45.3	56.8	(20.2)%
Trade Me	52.6	46.7	12.4%	40.6	37.3	8.8%
New Zealand Media	176.8	192.3	(8.1)%	32.4	40.6	(20.2)%
Broadcasting	52.9	57.5	(8.0)%	9.7	15.6	(37.8)%
Corporate and Other	6.0	6.1	(1.6)%	4.9	(1.8)	n/a
Less internal printing sales	(220.1)	(238.7)	(7.8)%	-	-	-
Total	**1,233.5**	**1,299.1**	**(5.0)%**	**296.3**	**347.0**	**(14.6)%**
NZ Businesses in local currency						
Trade Me (NZ$)	67.3	59.7	12.7%	52.0	47.7	9.1%
New Zealand Media (NZ$)	226.2	245.8	(8.0)%	40.9	52.1	(21.5)%

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Group Trading Performance

	As Reported		Significant Items		Underlying Trading Performance	
	24 Jun 2012 $'m	26 Jun 2011 $'m	24 Jun 2012 $'m	26 Jun 2011 $'m	24 Jun 2012 $'m	26 Jun 2011 $'m
Total revenue	2,328.1	2,465.5	-	-	2,328.1	2,465.5
Associate profits	1.7	3.4	-	-	1.7	3.4
Expenses	4,888.4	2,549.6	3,064.6	688.1	1,823.8	1,861.5
Operating EBITDA	(2,558.6)	(80.7)	(3,064.6)	(688.1)	506.0	607.4
Depreciation and amortisation	107.5	114.4	-	-	107.5	114.4
EBIT	(2,666.1)	(195.0)	(3,064.6)	(688.1)	398.5	493.1
Net interest expense	111.7	108.0	-	-	111.7	108.0
Net (loss)/profit before tax	(2,777.8)	(303.1)	(3,064.6)	(688.1)	286.8	385.1

5.6% drop in revenue

2.0% reduction in costs

Comparative net funding cost SPS gross $111.7m v $122m or 8.7% better

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Group Trading Performance (cont'd)

	As Reported		Significant Items		Underlying Trading Performance	
	24 Jun 2012 $'m	26 Jun 2011 $'m	24 Jun 2012 $'m	26 Jun 2011 $'m	24 Jun 2012 $'m	26 Jun 2011 $'m
Net (loss)/profit before tax	(2,777.8)	(303.1)	(3,064.6)	(688.1)	286.8	385.1
Tax	(52.0)	86.6	(126.8)	(13.5)	74.8	100.0
Net (loss)/profit after tax	(2,725.8)	(389.7)	(2,937.8)	(674.7)	212.0	285.0
Non-controlling interest	6.6	1.2	-	-	6.6	1.2
Net (loss)/profit attributable to Company	(2,732.4)	(390.9)	(2,937.8)	(674.7)	205.4	283.8
SPS dividend (net of tax)	-	10.0	-	-	-	10.0
Net (loss)/profit after tax and SPS	(2,732.4)	(400.9)	(2,937.8)	(674.7)	205.4	273.8
WANOS	2,352.0	2,352.0	-	-	2,352.0	2,352.0
Earnings per share	(116.2)	(17.0)	-	-	8.7	11.6

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Significant Items

A$m	FY12	FY11
Impairment of mastheads and goodwill	2,758.1	649.9
Impairment of plant and equipment, and interest	106.1	4.0
Income tax benefit	(66.7)	(3.2)
Total impairments, net of tax	2,797.5	650.7
Restructuring and redundancy charges	200.4	34.2
Income tax benefit	(60.1)	(10.2)
Total restructuring and redundancy, net of tax	140.3	(23.9)
NET SIGNIFICANT ITEMS, NET OF TAX	**2,937.8**	**674.7**

- In June the company announced it will close the Chullora and Tullamarine print operations by June 2014. As a result, a plant and equipment impairment charge has been recognised.
- Restructuring and redundancy charges reflect redundancy provisions for June 2012 restructuring announcements.
- The “value in use” calculations performed as part of the annual impairment test have resulted in an impairment charge of $2,758m.
- The impairment reflects:
  - the deterioration of revenues late in the 2012 financial year;
  - higher discount rates
  - The deterioration of revenue, late in FY12 and the early weeks of FY13 with no expectation of early recovery.

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Cash Flow

A$m	FY12	FY11
Cash from trading	535	629
Proceeds from asset sales and investments	443	6
Net other inc exchange movements	4	8
Cash In Flows	**982**	**643**
Payment for repurchase of SPS	-	300
Net finance charges	118	111
Tax payments	111	82
Investment in acquired business/ventures	15	28
Investment in PP&E	43	57
Restructure/redundancy payments	43	8
Loans (repaid)/advanced	(5)	18
Dividends paid	83	87
Employee share trust	-	5
Cash Out Flows	**408**	**696**
Net Cash In / (Out) Flow	574	(53)
Net Debt at beginning of period (including SPS)	1,488	1,435
Net Debt at end of period (including SPS)	914	1,488

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Free cash flow and asset sales resulted in significant debt reduction during 2012

	Jun 12 A$m	Jun 11 A$m
Current interest bearing liabilities	**6.4**	**666.8**
Non current interest bearing liabilities	**1,200.9**	**865.2**
Total interest bearing liabilities	**1,207.3**	**1,532.0**
Debt related derivatives	**65.1**	**162.7**
Cash and cash equivalents	**(358.4)**	**(207.0)**
Net debt for covenant purposes	**914.0**	**1,487.7**

- Net Debt reduced by $574m to $914m in FY12 ($815m excluding Trade Me)
- $421m proceeds from two tranches of Trade Me sell down applied to debt reduction
- Maturing Eurobond $557m redeemed in June 2012

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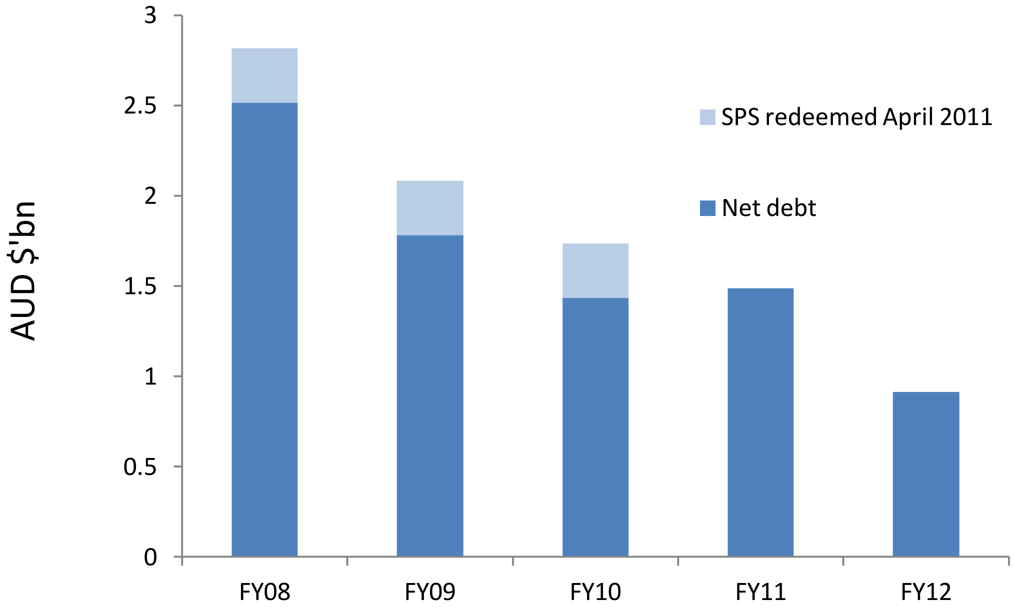
Free cash flow and asset sales resulted in significant debt reduction during 2012



Debt levels are within banking covenants

	Actual Jun 12	Actual Jun 11	Covenant Limits
Net debt for covenant purposes	**$914.1**	**$1,487.6m**	
EBITDA (last 12 months)	**$506.0**	**$607.4m**	
Net debt to EBITDA	**1.8x**	**2.4x**	**4.0x max**
Net interest (last 12 months)	**$111.7m**	**$108.0m**	
EBITDA to net interest	**4.5x**	**5.6x**	**3.25x min**

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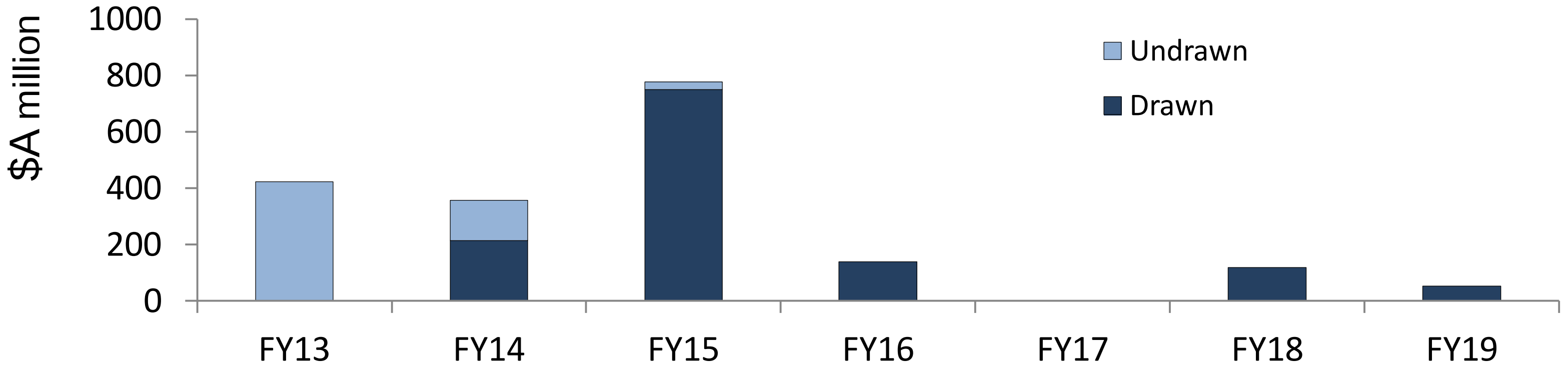
Facility maturity schedule



Note: FY12 maturity is covered by cash/undrawn facilities

Borrowings Outlook

- Lines available (excluding Trade Me) are $1.7 billion; currently drawn to $0.9 billion (excl. Trade Me)
- Next significant maturity $422 million in April 2013 (not presently drawn and not anticipated to be drawdown prior to maturity)
- Capital expenditure anticipated to be in the order of $100 million for FY13

Dividend

- Dividend of 1 cents per share
- Represents a consistent payout ratio of 35% from interim
- No DRP
- Cash outflow of $23.5 million in H2 calendar year 2012

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Appendix

Metro Media segment reconciliation 2012

Metropolitan Media - Reconciliation	Revenue A$'m	Costs A$'m	EBITDA A$'m
News Print	564.2	501.4	62.8
Metro Digital	251.8	233.4	18.4
Sub Total	816.0	734.8	81.2
FRG	130.0	123.9	6.0
ACT & Communities	184.6	169.4	15.2
Total Metro Media Segment	1,130.6	1,028.1	102.5
Chullora & Tullamarine EBITDA			22.7
Total Metro Media incl print site contribution			125.1

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Printing Operations

Comprises Australian and NZ printing centres

Printing Operation	FY12 A$'m	FY11 A$'m	% change
Advertising	**-**	-	-
Circulation	**-**	-	-
Other	**474.8**	539.4	(12.0%)
Total Gross Revenue	**474.8**	539.4	(12.0%)
Internal Revenue	**(411.9)**	(456.3)	(9.7%)
Net Revenue	**62.9**	83.1	(24.3%)
Costs	**(15.6)**	(20.4)	(23.5%)
EBITDA	**78.5**	103.5	(24.1%)
EBIT	**18.5**	41.3	(55.2%)
Margin	**17%**	19%	(13.8%)

- Revenue decline reflects volume decreases consistent with paginations reductions by publishers.
- Closures of Chullora and Tullamarine by June 2014 announced on 18 June 2012.
- Included above is Chullora and Tullamarine EBITDA of $22.7m which has been disclosed in the Metro Media segment (page 9).

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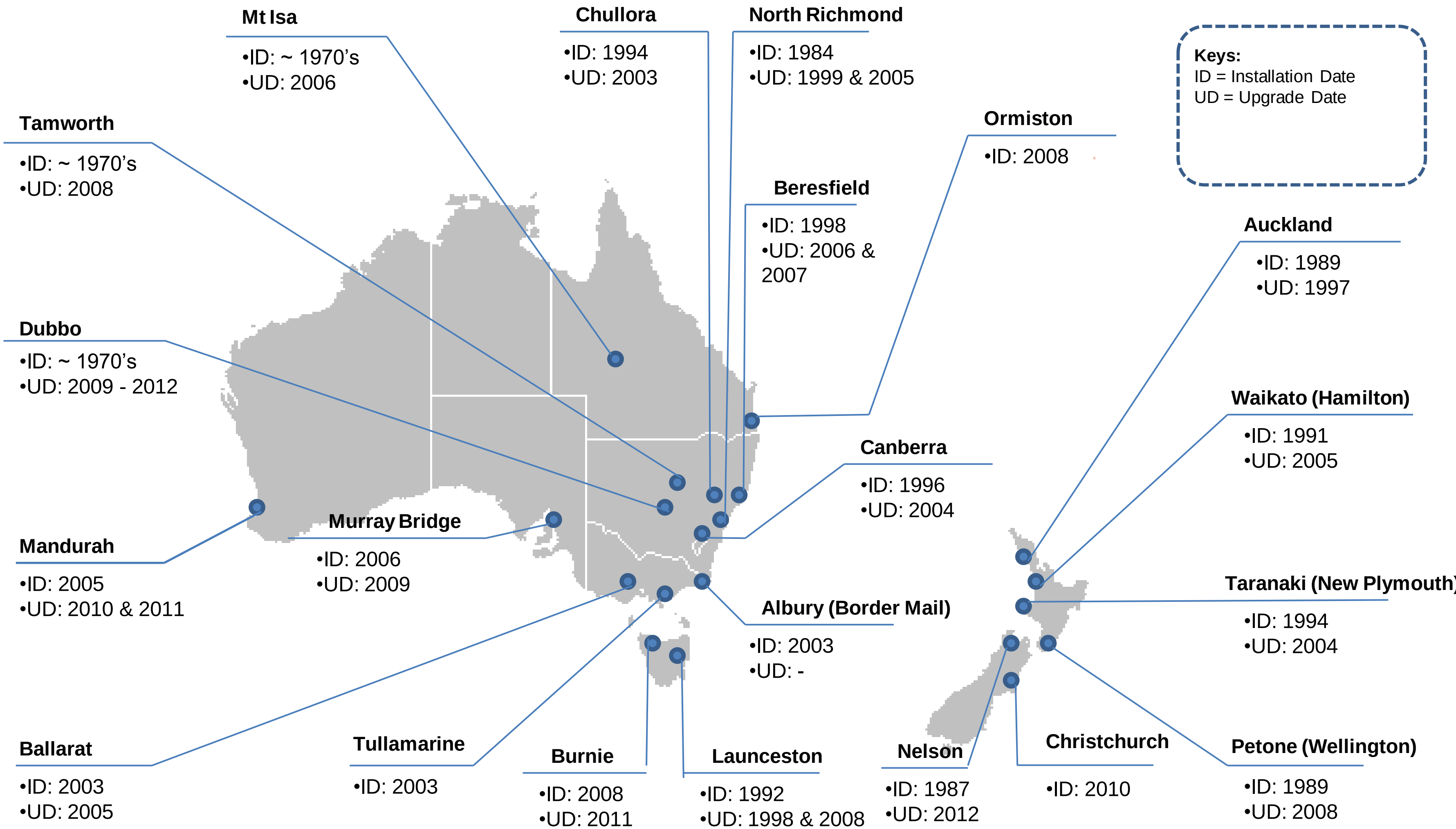
Printing Operations



Fairfax Printing network in Australia and New Zealand

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