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*Analyst and Institutional  
Briefing*

Chullora, 13 December 2001

**Fairfax**

# *Chullora Plant Visit*

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## **Presentation Outline**

Peter Graham, Director, Group Operations

Michael Gill, Publisher, Business Publications

Alan Revell, Publisher, Herald Publications



**Peter Graham**  
**Director, Group Operations**

## *Group Operations*

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- Supporting Fairfax value growth through a competitive advantage in
  - Safety
  - On-time running
  - Cost reduction
  - Quality

## *Group Operations*

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- Responsible for the physical product flow
  - Materials
  - Publishing Services
  - Printing
  - Distribution
  - New Plant Construction

# *Improving the Business and Reducing Costs*

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- Safety
  - Improving staff commitment and efficiency through safety
  - Our target is zero lost time injuries
- Ontime running
  - Improvements over the past 3 years
  - Our target, 100% in full ontime delivery
- The benefits

# *Improving the Business and Reducing Costs*

*(contd.)*

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- Cost reduction
  - Newsprint
  - Labour
  - Waste reduction
  - More effective use of capital
  - The benefits

# *Improving the Business and Reducing Costs*

*(contd.)*

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- Quality
  - Increased colour capacity
  - Stitching and trimming
  - Reduced complexity
  - Our target: zero production-related advertising credits
  - The benefits

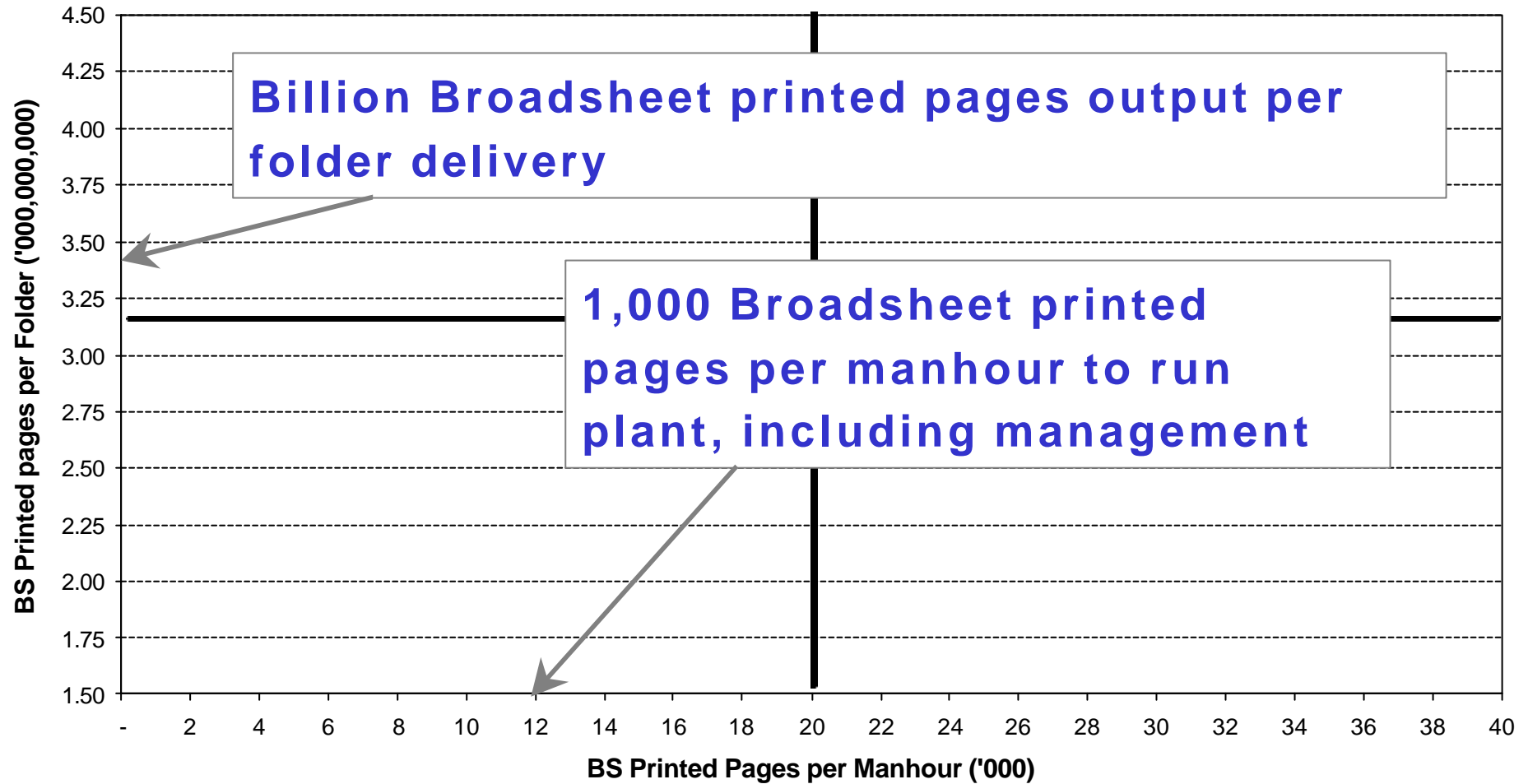
# *Improving the Business and Reducing Costs*

*(contd.)*

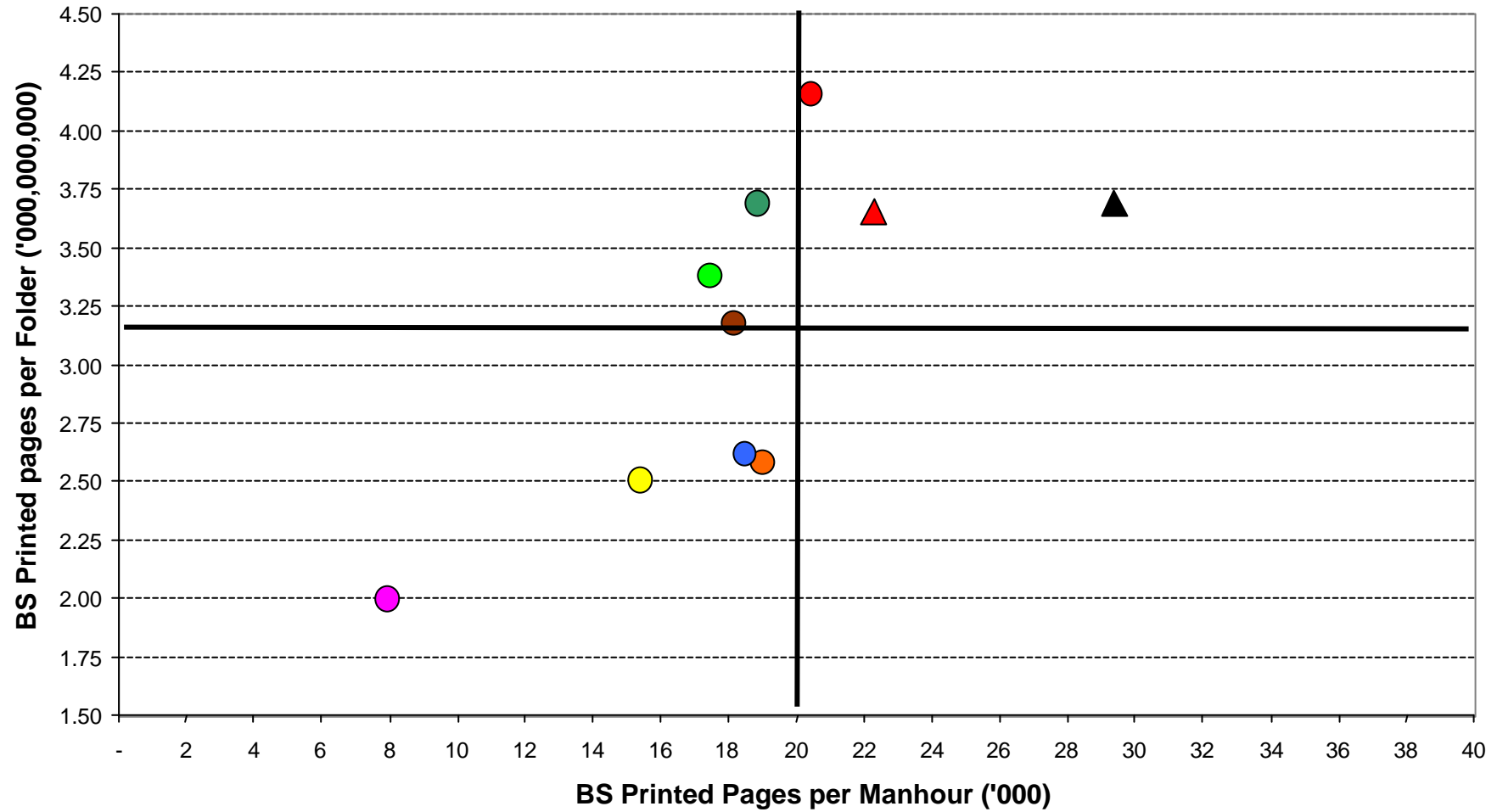
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- New plant capacity
  - A \$310m investment in our future
- Plant upgrades on time and on budget
  - Tullamarine
  - Chullora

## Labour / Capital Efficiency



# Labour / Capital Efficiency



- Broadway (BW) 95
- News Ltd Syd (NS) 99
- News Ltd Mel (NM) 99
- European Plant 99
- North American Plant 99
- Spencer Street (SS) 99
- Beresfield (BFD)
- Chullora (CH) 99
- ▲ Chullora (CH) 02
- ▲ Tullamarine (TUL) 03

*The Age Print Centre*  
*Tullamarine*

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**Alan Revell**  
**Publisher and Editor-in-Chief**  
**Herald Publications**

## *Improving the Business: Quality*

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- Quality: our commitment
  - Readership
  - Journalism
  - Products
  - Staff

## *Improving the Business: Revenue*

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- Revenue: where's the growth
  - Chullora upgrade
  - Advertising options
  - Circulation

## *Improving the Business: Reducing Costs*

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- Costs: do more with less
  - Restructure
  - Synergies
  - Managing the cycle

## *Continuing to Build the Business*

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- Positioned for growth
  - Leading advertising positions
  - Quality content and readership
  - Tight cost management



**Michael Gill**  
**Publisher and Editor-in-Chief**  
**Fairfax Business Media**

## *Building the Business for Continued Growth: Revenue, Cost, Quality*

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- Best position in business media in Australia
  - Niche markets, new geographies, other media
- Revenue quality and cost effectiveness
- AFR/BRW significant gains
- AFR Magazine, Personal Investor, Shares
  - solid growth platforms
- Asset, Boss, CFO
  - expanded in Australia
- MIS
  - IT management market expansion
- Skilled staff

## *Printing Upgrade: Quality Improvement and Cost Reduction*

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- Revenue enhancement
  - Nationwide colour offering
  - Better delivery - increased circulation
  - Stitched and trimmed inserts
- Costs are reduced by taking weekend printing in-house in Victoria

# *Improving the Business: Case Study*

## *AFR Weekend Edition Relaunch*

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- Objectives
  - Editorial and advertising flexibility
  - More colour advertising opportunities
  - Increase reader interest
  - Simplify production
- Results
  - Best revenue performance of any day of the week