



Media

Macquarie Equities Conference

14 June 2006



National Footprint

- **Fairfax media contributes:**
 - 27.9% of FXJ Group trading revenue
 - 34.8% of FXJ Group EBITDA
- **Fairfax literally covers the country like no other network.**
- **Fairfax Media is New Zealand's largest publishing group with a diversified portfolio:**
 - Three national newspapers
 - Nine daily newspapers
 - 50+ community newspapers
 - 13 magazines
 - A comprehensive online offering



National Footprint – Talk to Fairfax, Talk to New Zealand



NATIONAL



SundayStarTimes



The Independent
FINANCIAL REVIEW

The TV GUIDE

NZ HOUSE & GARDEN

Cuisine

Plus 10 premium
magazine titles

METROPOLITAN DAILIES



HAMILTON
Readership: 94,000
Circulation: 41,083



WELLINGTON
Readership: 254,000
Circulation: 98,251



CHRISTCHURCH
Readership: 233,000
Circulation: 92,465

REGIONAL DAILIES

AUCKLAND
SUBURBANS
10 TITLES



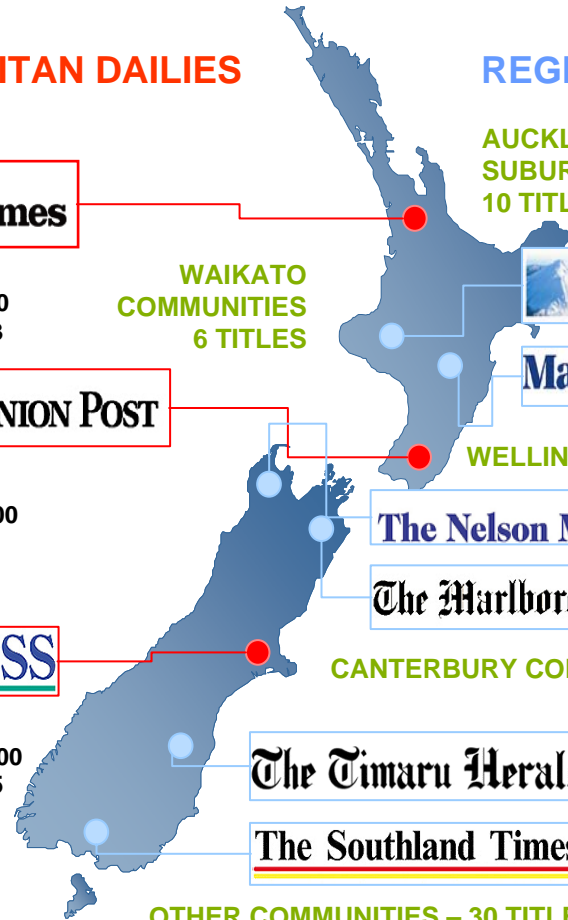
WELLINGTON COMMUNITIES 7 TITLES

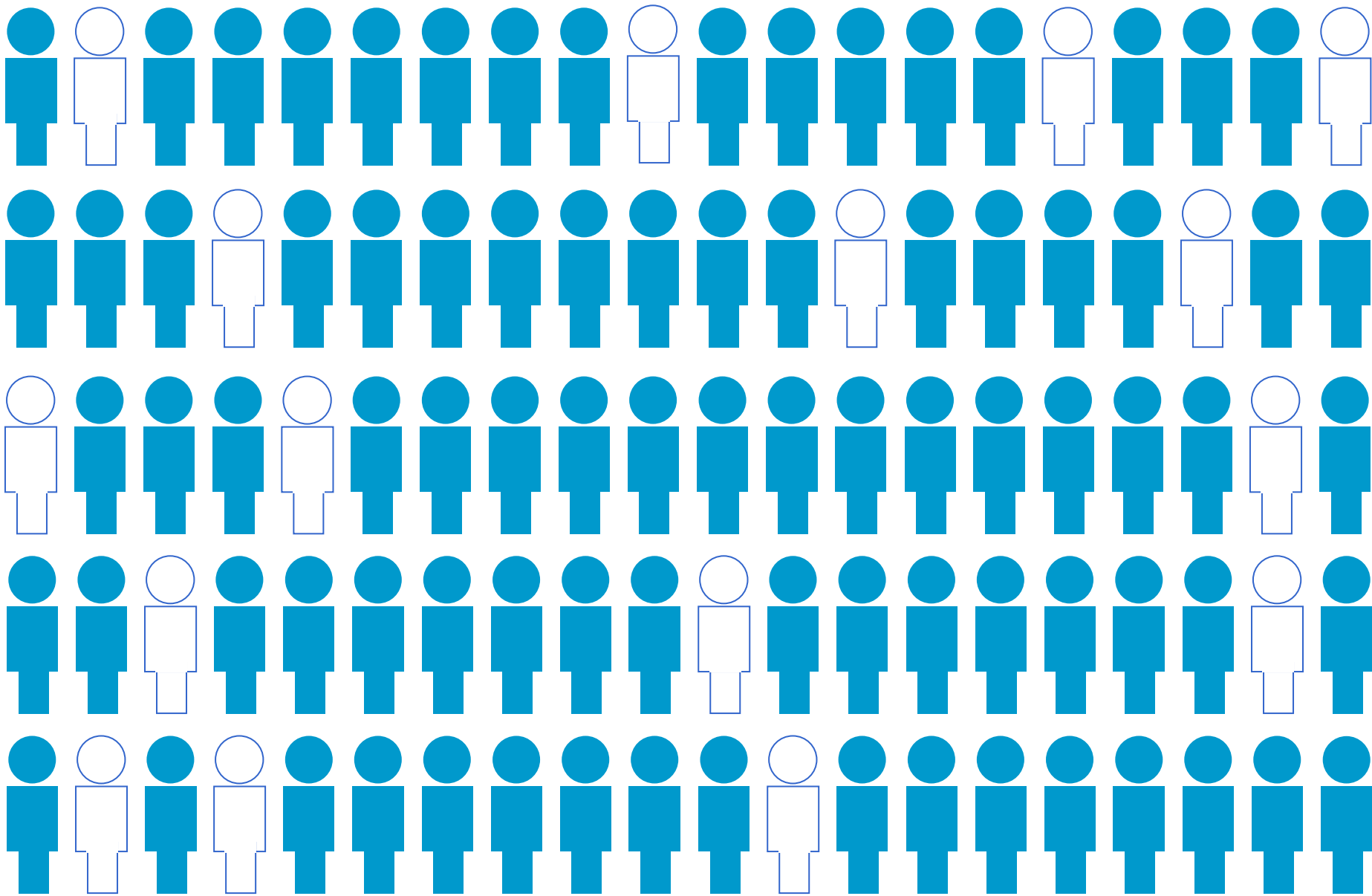


CANTERBURY COMMUNITY 1 TITLE



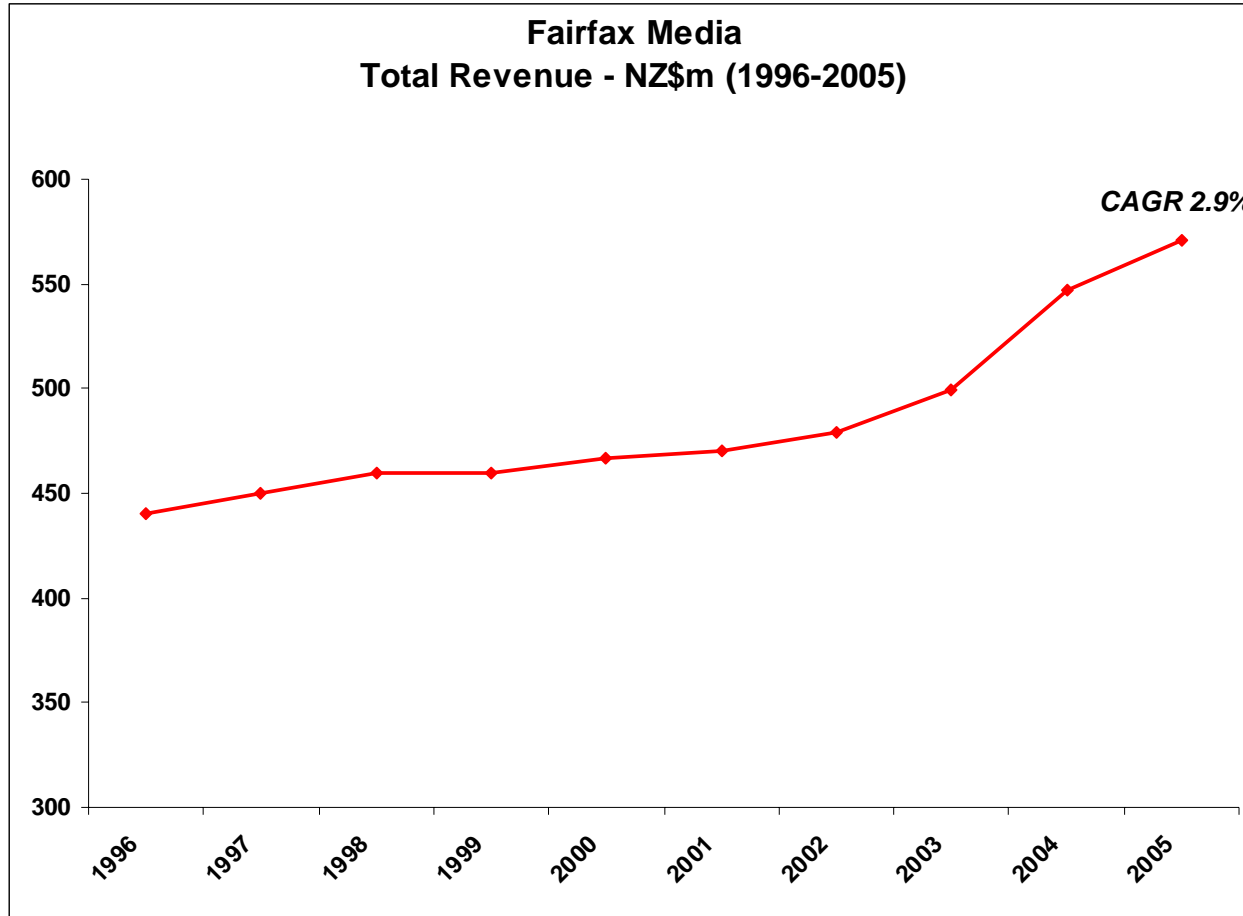
OTHER COMMUNITIES – 30 TITLES



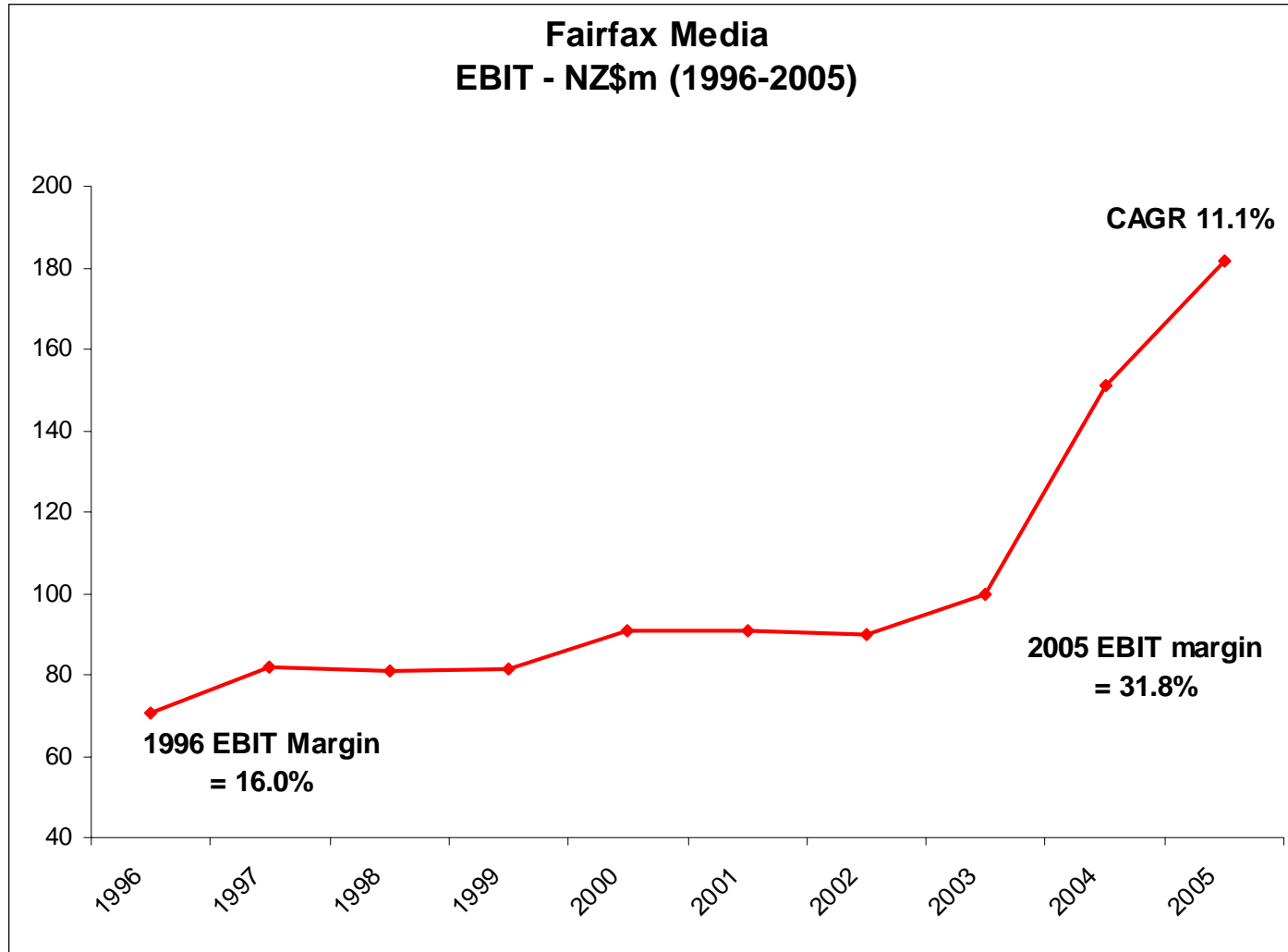


84% of all New Zealanders 15+ years

10 Year Cycle: Revenue

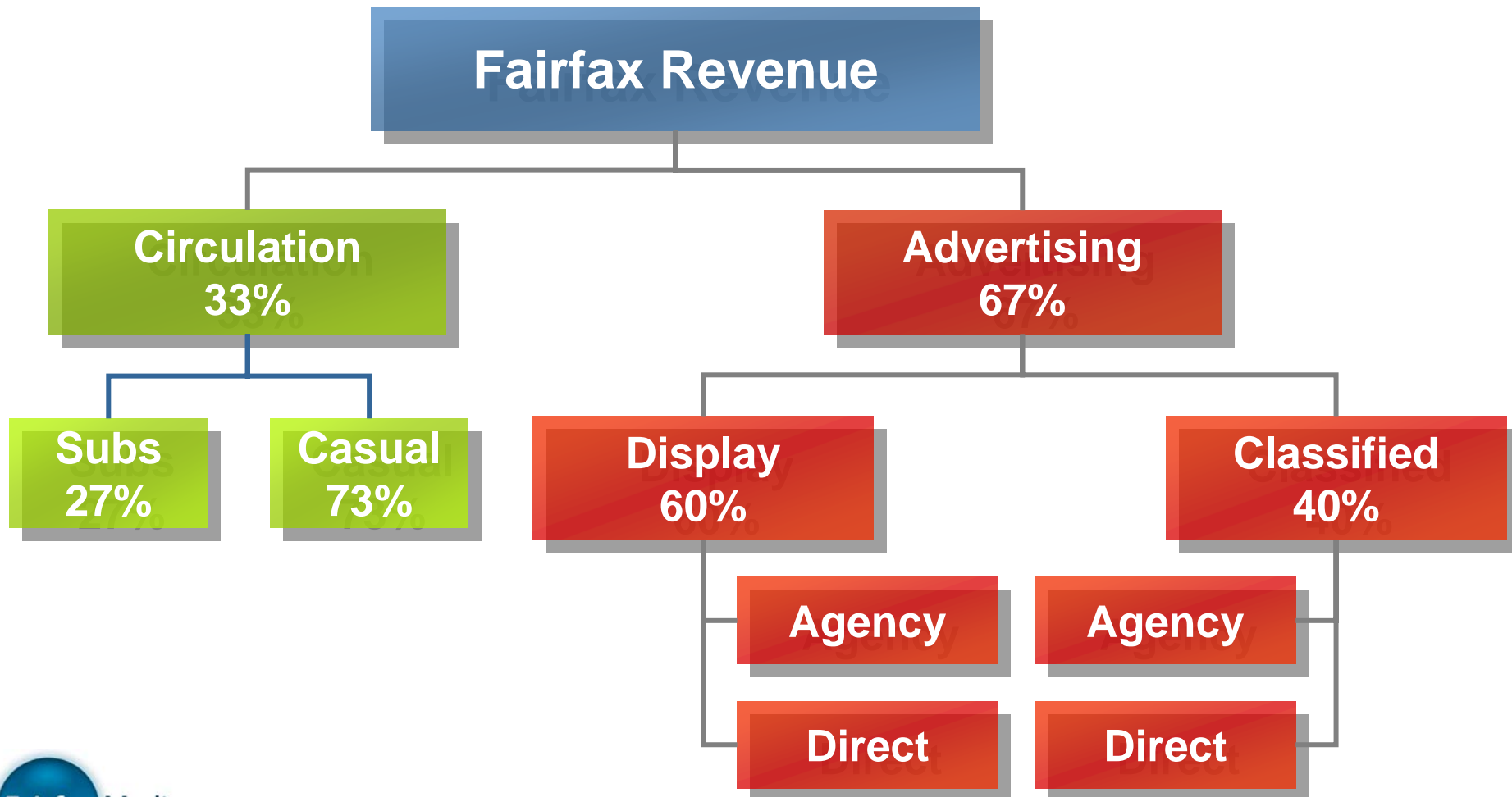


10 Year Cycle: EBIT



Revenue Base

Diversification of revenue categories



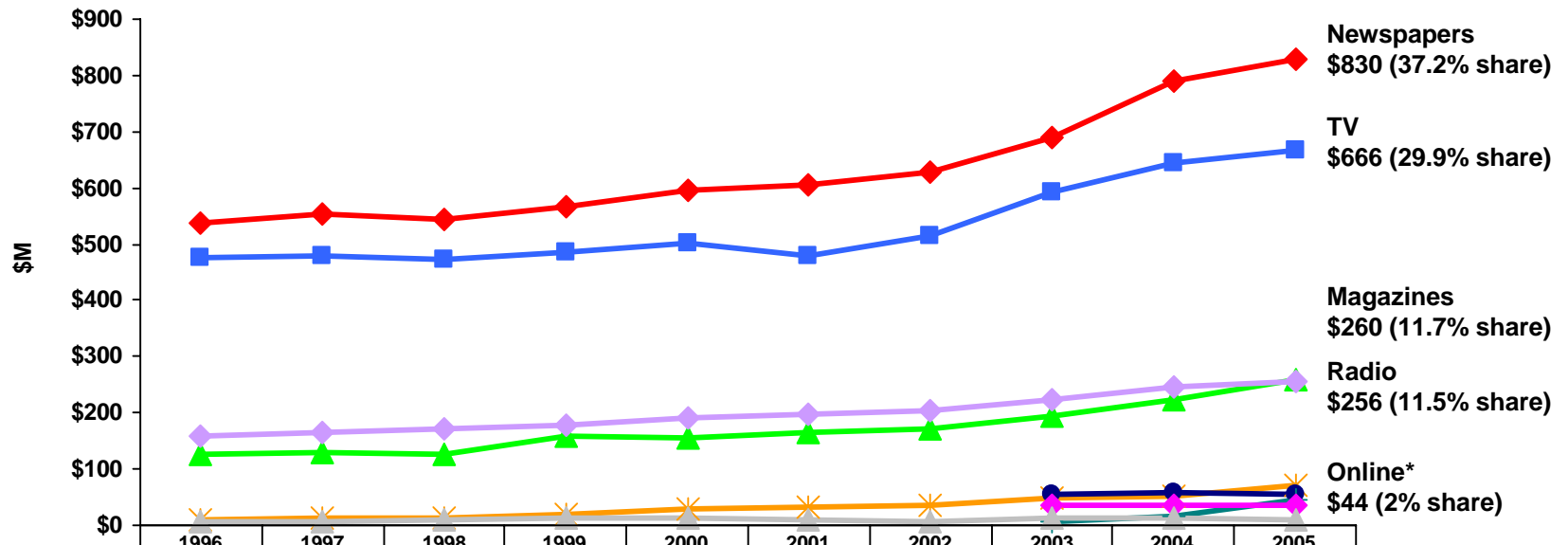
Advertising Categories

| Category |
|---------------------------|
| Automotive |
| Computers/IT |
| Employment |
| Finance/Banking/Insurance |
| Foodstuffs/Beverages |
| Government |
| House and Home |
| Leisure and Entertainment |
| Lotteries/Gambling |
| Pharmaceuticals/Health |
| Real Estate |
| Retail |
| Telecommunications |
| Transportation/Travel |



Newspaper Advertising Turnover on the Rise

ASA Advertising Turnover (\$M) – 10 Year Trend
Figures include national, retail and classified advertising



| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| NEWSPAPERS | 538 | 552 | 543 | 566 | 596 | 606 | 628 | 689 | 790 | 830 |
| TELEVISION | 476 | 478 | 473 | 487 | 501 | 479 | 516 | 592 | 643 | 666 |
| MAGAZINES | 127 | 130 | 127 | 159 | 157 | 166 | 173 | 194 | 223 | 260 |
| RADIO | 158 | 165 | 170 | 178 | 190 | 196 | 203 | 224 | 247 | 256 |
| OUTDOOR | 9 | 12 | 14 | 18 | 28 | 32 | 37 | 47 | 51 | 72 |
| UNADDRESSED MAIL | | | | | | | | 56 | 59 | 56 |
| ONLINE | | | | | | | | 8 | 15 | 44 |
| ADDRESSED MAIL | | | | | | | | 35 | 34 | 34 |
| CINEMA | 8 | 7 | 10 | 12 | 13 | 9 | 8 | 12 | 13 | 11 |
| ALL MEDIA | 1,316 | 1,344 | 1,337 | 1,420 | 1,485 | 1,488 | 1,565 | 1,857 | 2,075 | 2,229 |

Source: ASA (Advertising Standards Authority) (Y/E Dec 2005). Include national, retail and classified advertising turnover.

*Note: online returns include figures from OPG members plus 8 non-members (figures prior to 2005 only include OPG members)

Key Market Trends

- Total advertising turnover is up +\$154M (+7.4%) year on year.
- Newspapers remained the biggest medium valued at \$830M. Newspaper has outgrown any other medium with a year on year growth of +\$40M (+5.1%).
- Fairfax newspapers has lead this growth, achieving an above average increase (+7.6%), share is above 50%



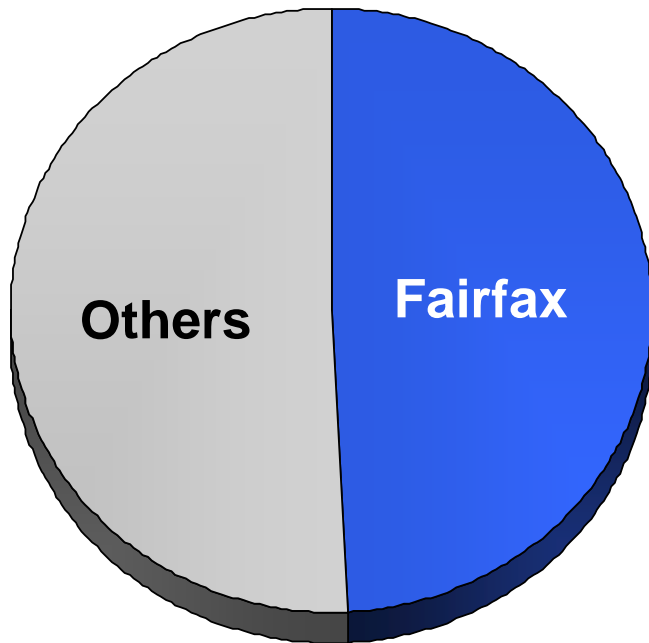
Fairfax has a strong competitive Stance

Newspaper Advertising Turnover - Market Share % by Publisher

Figures include national, retail and classified advertising

2004

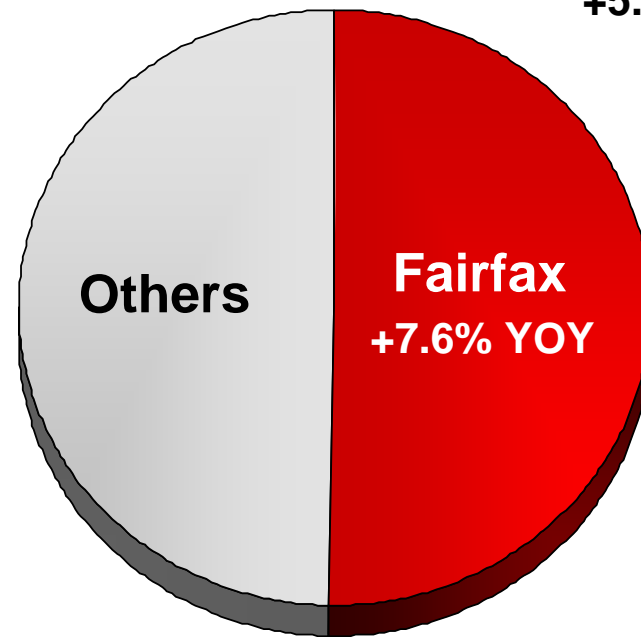
Total Newspaper Turnover = \$790M



2005

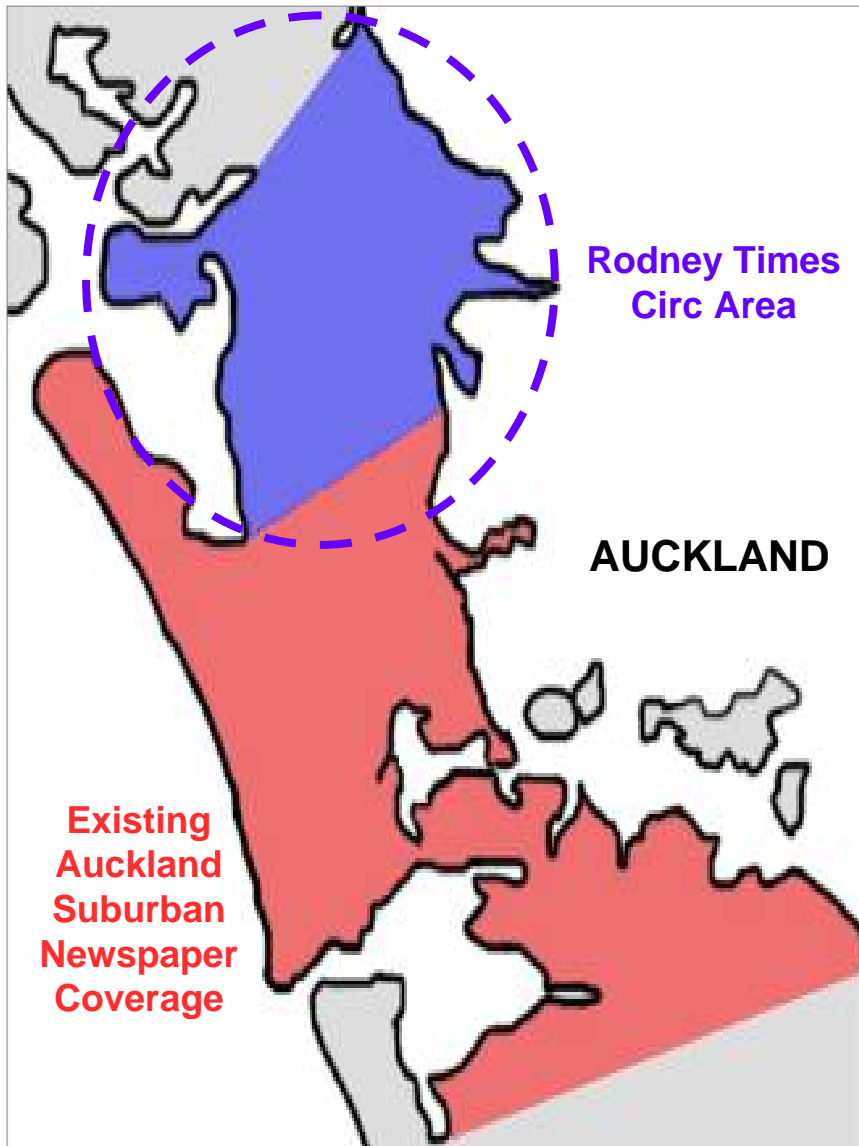
Total Newspaper Turnover = \$830M

+5.1% YOY



Auckland Focus

Fairfax is strategic and tactical in realising new opportunities



Rodney District

- Population 81,100
- Growth rate 3% faster than the rest of the Auckland region
- Projected population 53% more than in 2001 by 2021

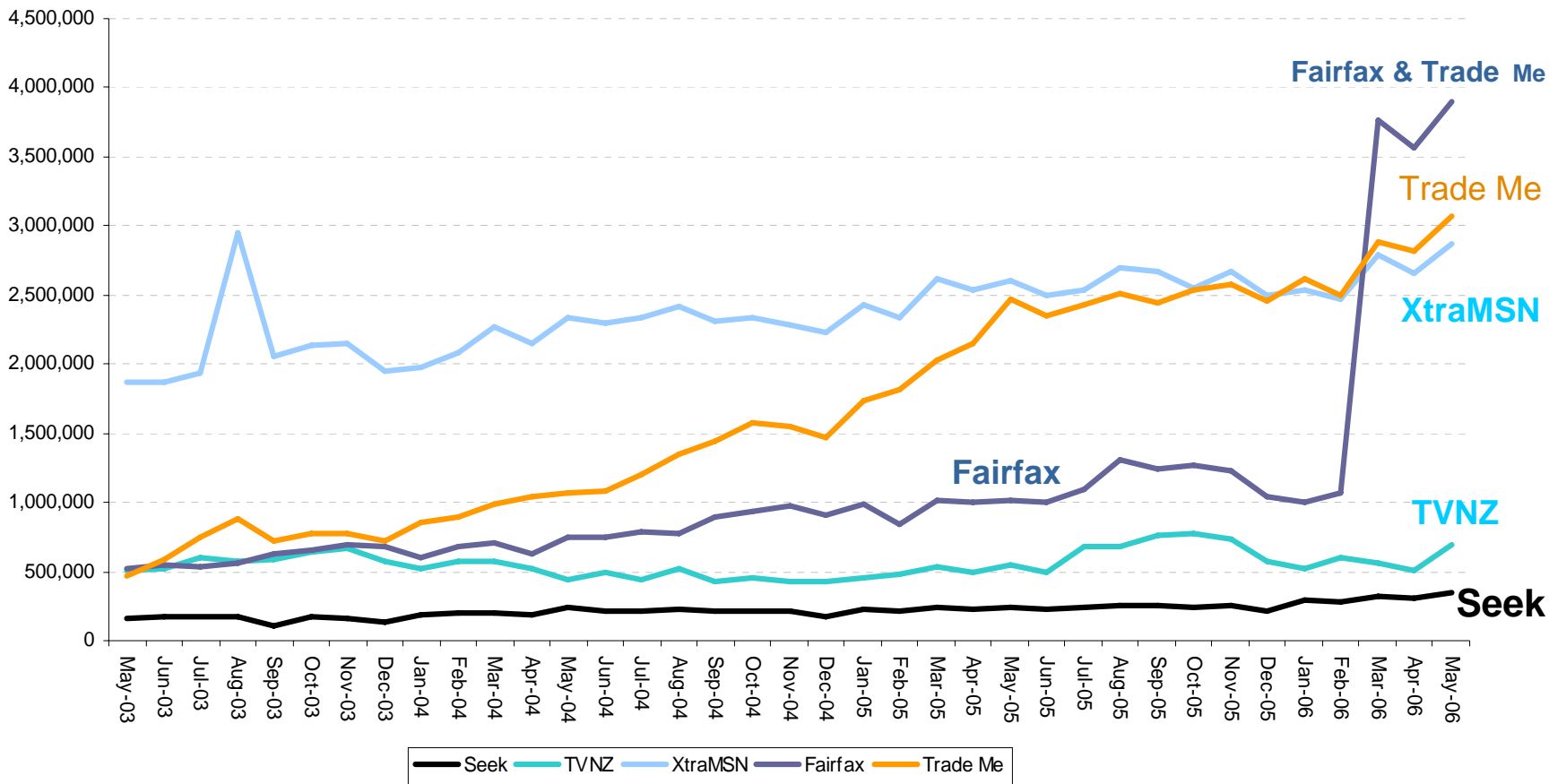
Rodney Times

- Twice weekly: Tue & Thu
- Readership 15yrs+: 56,000
- Circulation: 34,251

Source: NMR National Readership Survey Jan-Dec 2005
ABC Audited Circulation 12 months to Mar 05

Fairfax has a competitive online offering

Unique Browsers (Total)



Trade Me & Stuff have a combined net audience of 3.89m total unique browsers.

So how do we see the market at the moment?

- GDP – consensus is slowdown will be shallow and short
- Petrol prices – impacting discretionary purchases therefore possible impact on casual circulation
- Business pricing intentions are for increases
- Long term inflation closer to 4% - driven by oil price but ...
- Lower exchange rate helps export and tourism
- Commodity prices rising boosting regional markets
- Net immigration rising, pushing housing market
- Government spending and fiscal policy continues – working for families, infrastructure development, public service headcount increases
- Telecom unbundling will drive growth in key sector
- Fiscal policy will provide a net boost.



How will we fare in this economic environment?

- Diversified portfolio across regional markets providing stabilising influence
- Heritage mastheads - close to the community we serve – high quality editorial content
- Diversified revenue base providing stabilising influence
- These qualities provide overall resilience to the business through economic cycles
- Competitive and with unique market positions
- Best people in the right positions. Branding Fairfax Media as employer of choice
- Strong cost focus/driving synergies
- Strategic and tactical in assessing forward opportunities
- Driving Profitable Growth



Driving synergy and cost management



- Strong margins in NZ
- Platform agnostic stance – IP Protection of Fairfax generated content and increased in house investment in sharing content
- Investment in infrastructure
- Synergies being realised
- Group appointments to drive revenue

DB | MONEY
FINANCIAL PRODUCT

Keep making the crystals...
Investors shrug off headlines telling of Rakon's GPS bomb technology

Promises, promises...
... but ICP needs to make more than predictions to get investors interested

Financial safety... and a bit of backpacking

CHALKIE

Check and balance
The words "military" or "military" are not always the best to use in the prospectus of a fund. It is not always the best to use in the prospectus of a fund. It is not always the best to use in the prospectus of a fund.

What do you think?
The words "military" or "military" are not always the best to use in the prospectus of a fund. It is not always the best to use in the prospectus of a fund. It is not always the best to use in the prospectus of a fund.

Financial safety... and a bit of backpacking
Peter Hensley

DB | MONEY
FINANCIAL PRODUCT

NZX
50 3839.55 -0.72 -1.09%
10 3779.59 -0.23 +0.01%
NZX Mid Cap

INTEREST RATES

Qantas Media Award Winners



| Category | Winner |
|---------------------------|--------------------------------------------|
| Best NZ Newspaper | The Press |
| Best paper over 25,000 | The Press |
| Best Weekly | Sunday Star Times |
| Best Front Page | Sunday Star Times |
| Senior Reporter | Tony Wall, Sunday Star Times |
| Senior Feature | Tim Hume, Sunday Star Times |
| Junior Feature | Tim Hume, Sunday Star Times |
| Columnist | Finlay MacDonald, Sunday Star Times |
| Best Investigative Series | The Press |
| Fellowship To Wolfson | Steve Braunias, Sunday Star Times |



Plus multiple winners and finalists in all other categories



Fairfax Media: Communicating, Connecting and Innovating