FP Newspapers Income Fund

2007 Annual General Meeting
May 7, 2008

TSX: FP.UN
Formal Meeting

Annual General Meeting

- Introduction
- Quorum
- Resolutions
FORWARD-LOOKING STATEMENTS:
Certain statements in this presentation are “forward-looking statements” which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund, FP Trust or FPLP to be materially different from those expressed in this presentation. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this presentation. These forward-looking statements involve a number of significant risks and uncertainties, more information about which appears under the heading “Risk Factors” in the Fund’s most recent Annual Information Form.
Contents:

- Summary
- Approach
- Year in Review
- Q1 Review
- Outlook
Summary
• FP.UN holds 49% of FPLP
• IPO May 2002
• 6.9 million Units issued
• Distributing $1.29 per year
• 5 year cumulative total return at 12/31/07 - $22.74

Operations:
• 2 daily newspapers
• 7 community and specialty
• Distribution and websites
Approach

• We focus on providing high-quality content to inform and entertain our readers
  – Translates to superior readership and circulation, driving advertising revenue
  – Respect our heritage and leverage our audience
  – Long term outlook; prudent distribution policy
  – Investment discipline – seek sustainable increase in distributable cash
2007 Year in Review

FP Canadian Newspapers

• Revenue grew 3% to $125.9 million
  – Led by display advertising and flyer distribution
• EBITDA increased $3 million or 12%
• Distributions held steady at $1.29
  – 80.2% pay-out ratio for 2007 and 89.5% since inception
2007 Year in Review

• Bob Cox appointed publisher

• Margo Goodhand appointed editor
2007 Year in Review

Winnipeg Free Press

• Continued to build on dominant market position with aggressive web expansion
• Online reorganized to focus on revenue generation
• Newsroom reorganized to produce and publish content continuously
2007 Year in Review

2007 Year in Review

• Free Press receives award for Outstanding Philanthropic organization from the Association of Fund Raising Professionals
2007 Year in Review

NNA Nominations

- Phil Hossack (feature photography)
- Gordon Sinclair Jr. (columns);
- Jen Skerritt (beat reporting, for health) and
- Gerald Flood (editorials)
2007 Year in Review

• Press controls
2007 Year in Review

• Canine idol contest and calendar wins first in CNA best practices competition for online
2007 Year in Review

• The agricultural sector was buoyed by good growing conditions and higher commodity prices
• Oil exploration and the development of new fields southwest of Brandon continued at record levels
• Brandon is the regional hub for retail and services, and recent store openings has only expanded its retail trading zone
2007 Year in Review

• The Sun’s daily average circulation increased by 3%
• The Sun posted strong year-on-year gains in advertising and commercial printing revenues
2007 Year in Review

• The Brandon Sun celebrated its 125th anniversary in 2007 and remains the dominant media on the western side of the province.
2007 Year in Review

• Bryan Metcalfe appointed publisher
• Collective agreement negotiated so that Canstar will be integrated with Free Press
• Sales team reorganized under new manager, Dan Szun
## 2007 Year in Review

**FP Canadian Newspapers Limited Partnership**

<table>
<thead>
<tr>
<th>(in millions of dollars)</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$125.9</td>
<td>$122.2</td>
<td>$116.9</td>
<td>$111.2</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$28.5</td>
<td>$25.5</td>
<td>$24.1</td>
<td>$24.3</td>
</tr>
<tr>
<td>Distributable cash per unit</td>
<td>$1.61</td>
<td>$1.43</td>
<td>$1.35</td>
<td>$1.42</td>
</tr>
<tr>
<td>Distributions declared per unit</td>
<td>$1.29</td>
<td>$1.29</td>
<td>$1.29</td>
<td>$1.27</td>
</tr>
</tbody>
</table>
Q1 – 2008 Review

FP Canadian Newspapers Limited Partnership

• Slower revenue growth of 0.6%
  – Weakness in national and employment advertising

• EBITDA growth of 5%
  – Helped by lower newsprint price
### Q1 – 2008 Review

**FP Canadian Newspapers Limited Partnership**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>+ .6%</td>
<td>$30.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>+5.0%</td>
<td>$ 6.0</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>20.1%</td>
<td>19.2%</td>
</tr>
</tbody>
</table>
## Q1 – 2008 Review

<table>
<thead>
<tr>
<th>Description</th>
<th>Last Twelve Months</th>
<th>Period from May 28, 2002 to Mar. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>49% of distributable cash of FPLP</td>
<td>$11,549</td>
<td>$58,645</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(272)</td>
<td>(1,574)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>13</td>
<td>39</td>
</tr>
<tr>
<td>Distributable cash attributable to the Fund – per unit</td>
<td>$1.64</td>
<td>$8.274</td>
</tr>
<tr>
<td>Distributable cash declared by the Fund – per unit</td>
<td>$1.29</td>
<td>$7.433</td>
</tr>
<tr>
<td>Payout ratio</td>
<td>78.9%</td>
<td>89.8%</td>
</tr>
</tbody>
</table>
Q1 – 2008 Review

• Launch Autos classified website
Q1 2008 Operations

• Two additional holidays – Louis Riel Day and Good Friday
• Increased display advertising in local and national automotive
• Lower employment advertising and reduced telecommunications spending
• Operating expenses down 0.5%, due to lower newsprint costs
• Employee compensation costs up 3.5%
# Audit Bureau of Circulations
## 6 Months Ended March 31, 2008

Total Paid Circulation (preliminary unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Mon-Fri</th>
<th>Saturday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winnipeg Free Press</td>
<td>+1.24%</td>
<td>+0.22%</td>
<td>+.86%</td>
</tr>
<tr>
<td>Winnipeg Sun*</td>
<td>+4.89%</td>
<td>+3.50%</td>
<td>+2.65%</td>
</tr>
</tbody>
</table>

* Sun circulation gains are due to the distribution of free newspapers
# Winnipeg Newspaper Readership Among Adults

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weekdays</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winnipeg Free Press</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td>Winnipeg Sun</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Saturday</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winnipeg Free Press</td>
<td>54%</td>
<td>58%</td>
</tr>
<tr>
<td>Winnipeg Sun</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Sunday</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winnipeg Free Press</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>Winnipeg Sun</td>
<td>16%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: 2007 NADbank Study, 2002 NADbank Study – All Adults 18+
Winnipeg Newspaper Readership Among University Graduates

Source: 2007 NADbank Study
Weekly Readership of Daily Newspapers in Major Canadian Cities

Source: 2007 NADbank Study - 6/7 Day Cume, Adults 18+
Note: The Globe and Mail and National Post figures are for the Toronto C.M.A.
Winnipeg Newspaper Readership Among Adults With Household Income $75,000+

Source: 2007 NADbank Study
Weekday Newspaper Readership of Medium-Sized Canadian Newspapers

- Brandon Sun* (56%)
- Regina Leader-Post (56%)
- Medicine Hat News (53%)
- Lethbridge Herald (52%)
- Saskatoon Star-Phoenix (50%)
- Red Deer Advocate (41%)
- Belleville Intelligencer (39%)
- Kelowna Daily Courier (35%)

Source: 2007 NADbank Study
* Brandon Sun figures from 2004 NADbank Study
Advertising Outlook

• Winnipeg and Manitoba economies steady in early 2008 but national outlook having an impact
• Automotive category strong as lower prices continue
• Telecommunications category starting to pick up
Expense and Capital Outlook

• Compensation costs expected to rise 3-4% for the year
• Newsprint price increased January 1; increases scheduled through to mid-year
• 2008 maintenance capital spending estimated at $1.8 million in spending
• Strategic capital investments planned for Q2 for Canstar renovations and new mailroom equipment