Formal Meeting

Annual General Meeting

• Introduction
• Quorum
• Resolutions
FP Newspapers Income Fund

Annual General Meeting 2008
Ronald N. Stern, Chairman
May 6, 2009

TSX: FP.UN
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.
- Distributions reduced from 10.75¢/month to 9.5¢/month.

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
2008 Year in Review

FP Canadian Newspapers

• Revenue lower by 3.8% to $121.1 million.
  – Missed publishing days due to strike and economic slowdown in Q4 were major factors.

• EBITDA decreased $5.5 million or 19% including strike impact and $0.4 million restructuring charge.
2008 Year in Review

• Distributions reduced by 11.6% from 10.75¢/month to 9.5¢/month.
  – 105.6% pay-out ratio for 2008 and 91.6% since inception.
2008 Year in Review

• Dave Brolhorst appointed VP of operations.

• Julie Carl appointed deputy editor.
2008 Year in Review

Winnipeg Free Press

• Free Press recognized nationally and internationally for its quality and innovation.
• Website use rises by 32% (10 million page views surpassed in March 2009).
• Autos website launched as prototype for new model of online-first classified ads.
2008 Year in Review

• Greatest Manitobans book launched at Fort Garry Hotel. Received a second place award from CNA Great Ideas contest and an INMA recognition for Online Usage & Engagement. (circ. 75,000-300,000)
2008 Year in Review

• Pink Paper. Received INMA recognition for Public Relations and Community Service. (circ. 75,000-300,000)
2008 NNA Award

• Gord Sinclair won an NNA for column writing.
2008 Year in Review

NNA Nominations

Doug Speirs
• Columns

Randy Turner
• Sports writing
2008 Year in Review

• International Association of Firefighters 2008 media awards first place among newspapers.
2008 Year in Review

- Jen Skerritt won $20,000 grant from the Canadian Institutes of Health Research to study infectious diseases in Manitoba.
2008 Year in Review

• The agricultural sector was buoyed by good growing conditions and decent commodity prices. Cattle prices increased in the fourth quarter.

• Oil exploration and the development of new fields south west of Brandon continued at near record levels.
2008 Year in Review

• Brandon is the regional hub for retail with two enclosed malls, downtown and a big box mall. Brandon is also the regional centre for healthcare and legal services.

• The Sun posted strong year-on-year gains in advertising revenues.
2008 Year in Review

- Circulation units were down slightly year-on-year, but the Sun is among the best read papers in the country with 84% of adults having read the Sun last week.
2008 Year in Review

• Moved operations to the Winnipeg Free Press building.
• Began redeveloping community newspapers to be more representative of local neighbourhoods.
• Coordinated distribution with Flyer Advantage.
## 2008 Year in Review

<table>
<thead>
<tr>
<th>FP Canadian Newspapers Limited Partnership</th>
<th>2008*</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in millions of dollars)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$121.1(1)</td>
<td>$125.9</td>
<td>$122.2</td>
<td>$116.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$23.0(1)</td>
<td>$28.5</td>
<td>$25.5</td>
<td>$24.1</td>
</tr>
<tr>
<td>(in dollars)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributable cash per unit</td>
<td>$1.19</td>
<td>$1.61</td>
<td>$1.43</td>
<td>$1.35</td>
</tr>
<tr>
<td>Distributions declared per unit</td>
<td>$1.25</td>
<td>$1.29</td>
<td>$1.29</td>
<td>$1.29</td>
</tr>
</tbody>
</table>

* 2008 results include impact of lost publishing days at Winnipeg operations due to 16 day strike.
Q1 – 2009 Review

FP Canadian Newspapers Limited Partnership

• Ad revenue declines 13%
  – Weakness in classified employment advertising and auto sector.

• EBITDA declines 47%
  – Includes $600,000 restructuring charge for voluntary and involuntary employee reductions.
Q1 – 2009 Review
FP Canadian Newspapers Limited Partnership

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$26.8</td>
<td>$30.0</td>
</tr>
<tr>
<td>EBITDA(1)</td>
<td>$3.2</td>
<td>$6.0</td>
</tr>
<tr>
<td>EBITDA(1) Margin</td>
<td>11.8%</td>
<td>20.1%</td>
</tr>
</tbody>
</table>

(1) EBITDA and EBITDA margin include restructuring costs of $600,000 for voluntary and involuntary employee reductions in Winnipeg.
### Q1 – 2009 Review

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>Last Twelve Months</th>
<th>Period from May 28, 2002 to Mar. 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>49% of distributable cash of FPLP</td>
<td>$7,268</td>
<td>$65,645</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(272)</td>
<td>(1,866)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>11</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>$6,987</td>
<td>$64,097</td>
</tr>
</tbody>
</table>

**Distributable cash attributable to the Fund – per unit**
- $1.01
- $9.286

**Distributable cash declared by the Fund – per unit**
- $1.21
- $8.648

**Payout ratio**
- 120.0%
- 93.1%
Reduced Staff and Restructuring

Q1 2008
- Total: 516.3
- Full-time: 395
- Part-time: 121.3

Q1 2009
- Total: 461.8
- Full-time: 367
- Part-time: 94.8
Q1 – 2009 Review

- Launch Homes website
Q1 – 2009 Review

• Mobile Network News
Q1 – 2009 Review

- Launch archives website.
Q1 – 2009 Review

• Live webcam
Q1 2009 Operations

• Decrease in classified employment revenues.
• Decreased display advertising in local and national automotive.
• Lower employment advertising.
• Operating expenses, excluding restructuring charge are down 3.8%, due to lower compensation costs.
## Total Average Circulation

Please Note: Audit Bureau of Circulations no longer audits the Winnipeg Sun. As of May 2008, the Winnipeg Sun is audited by the Canadian Circulation Audit Board.

### Winnipeg Free Press

ABC Publisher's Statement for 6 Months Ended:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2009</th>
<th>March 31, 2008</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekday</td>
<td>124,906</td>
<td>122,784</td>
<td>1.7%</td>
</tr>
<tr>
<td>Saturday</td>
<td>163,021</td>
<td>162,797</td>
<td>0.1%</td>
</tr>
<tr>
<td>Sunday</td>
<td>123,634</td>
<td>119,727</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

### Winnipeg Sun

CCAB Initial Audit Report for 12 Month Period Ended:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>March 31, 2008*</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekday</td>
<td>38,617</td>
<td>39,468</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Saturday</td>
<td>36,456</td>
<td>38,209</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Sunday</td>
<td>43,926</td>
<td>46,286</td>
<td>-5.1%</td>
</tr>
</tbody>
</table>

*This is the final ABC Audit Report for the Winnipeg Sun. CCAB Audit Reports are for 12 months ended at December 31.
Winnipeg Newspaper Readership Among University Graduates

Percentage of university graduates reading Winnipeg newspapers:
- Weekday:
  - Winnipeg Free Press: 50%
  - Winnipeg Sun: 15%
- Saturday:
  - Winnipeg Free Press: 61%
  - Winnipeg Sun: 9%
- Sunday:
  - Winnipeg Free Press: 45%
  - Winnipeg Sun: 10%

Source: 2008 NADbank Study
Winnipeg Newspaper Readership Among Adults with Household Income $75,000+

Source: 2008 NADbank Study
Weekly Readership of Daily Newspapers in Major Canadian Cities

- Winnipeg Free Press: 67%
- Hamilton Spectator: 59%
- Edmonton Journal: 54%
- Calgary Herald: 52%
- Vancouver Province: 44%
- Ottawa Citizen: 44%
- Toronto Star: 43%
- Vancouver Sun: 42%
- Edmonton Sun: 42%
- Winnipeg Sun: 41%
- Calgary Sun: 38%
- Toronto Sun: 25%
- Ottawa Sun: 25%
- Globe and Mail: 19%
- Montreal Gazette: 17%
- National Post: 10%

Source: 2008 NADbank Study – 6/7 Day Cume, Adults 18+
Note: The Globe and Mail and National Post figures are for the Toronto C.M.A.
Advertising Outlook

• Winnipeg and Manitoba economies expected to fare better than national average.
• Automotive category lower – national and local.
• Classified employment continues to be weaker with less hiring activity in today’s climate.
Expense and Capital Outlook

• Compensation cost savings from restructuring - $2.3 million.
• Newsprint price decreases in Q2 would result in annual 3.0% price decline if no further price changes in 2009.
• 2009 maintenance capital spending estimated at $1.5 million.
• Continuing to work through equipment options for Globe and Mail printing.