FP Newspapers Inc.

Annual General Meeting 2012

May 14, 2013
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 FPI 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 FPI’s most recent Annual Information Form.
Contents:

- Summary
- Approach
- Year in Review
- Q1 Review
- Outlook
Summary:
• FP holds 49% of FPLP
• IPO May 2002
• Converted to Corporation Jan. 1, 2011
• 6.9 million shares issued
• Cumulative distributions from inception of $11.57/share (to March 31, 2013).

Operations:
• 2 daily newspapers
• 8 community newspapers
• Distribution services
• Digital offerings and services
Approach

FP Canadian Newspapers takes a balanced approach, with a view to enhancing its core printed products while growing into new digital platforms. We believe in maintaining and building our readership with quality content, helping advertisers reach attractive audiences in a variety of ways.
2012 Year in Review

FP Canadian Newspapers

• Revenue higher by 0.2% to $111.5 million.

• EBITDA, excluding restructuring charges for 2012, decreased by $1.7 million or 7.3%.
# 2012 Year in Review

## FP Canadian Newspapers Limited Partnership

($ in millions of dollars except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>111.5</td>
<td>111.3</td>
<td>110.0</td>
</tr>
<tr>
<td>EBITDA (excluding restructuring charges)</td>
<td>21.6</td>
<td>23.4</td>
<td>24.6</td>
</tr>
<tr>
<td>Distributable cash attributable to FPI – per share</td>
<td>0.635&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>0.658&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1.14</td>
</tr>
<tr>
<td>Dividends declared per share</td>
<td>0.60</td>
<td>0.60</td>
<td>0.72</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> 2011 and 2012 includes reserve for future income taxes and pension funding in excess of accounting expense.
2012 Year in Review

• New editorial leadership
• Refocused community newspapers
• Expanded digital operations
• Reorganized to reduce expenses
• Loan renewal to lower financing costs
2012 Year in Review

Winnipeg Free Press

• Paul Samyn took over editorial leadership
• Editorial staffing reduced by 10%.
• Reorganized staff to focus on community engagement
• Maintain journalistic excellence – three nominations for national newspaper awards
2012 Year in Review

Winnipeg Free Press

- Developed new services with long-time customers such as Travel Manitoba
- Offered new ways to serve advertisers
2012 Year in Review

Winnipeg Free Press Digital

- Introduced the Digital Bureau to provide web services
- Digital audience grew to 1 million page views daily
- Mobile audience expanded rapidly
Marketing

- Leveraged relationships, such as sponsorship of Winnipeg Jets
- Offered highly successful hockey pin promotion to support newspaper sales
Labour Relations

• Did extensive preparatory work and meetings on WFP and CCN collective agreements with Union representatives

• Completed negotiations of all contracts 3 months before expiring

• New contracts share pension costs more equitably, create lower labour costs in future and change work rules to provide for most efficient use of new equipment
Winnipeg Free Press Readership

The Winnipeg Free Press and winnipegfreepress.com reach 410,200 Winnipeg adults every week.

Base: 615,200 Winnipeg adults
Source: 2012 NADbank Study
Newspaper Readership in Canada

80% of Winnipeg adults read a newspaper in print or online every week.

Base: Canadian markets with population of 500,000+
Source: 2012 NADbank Study
• Added local strength to newsroom
• Grew local advertising by more than 5%
• Planned for conversion to morning delivery in May 2013
• Acquired Carberry News-Express weekly newspaper
2012 Year in Review

• Focused on 6 community papers in Winnipeg and area
• Ended separate publication of Uptown magazine; folded into Winnipeg Free Press
• Added sales staff
• Expanded neighbourhood coverage through a network of community correspondents
2012 Year in Review

• Grant Burr appointed editor
• Added new sections – Agriculture, Now, Bridal Week, Feeling Better, Tax Time
• Added new printing customers, capacity and salesperson to focus on this area
• Built new flyer distribution network in southeastern Manitoba – Derksen Flyer Impact
# Q1 – 2013 Review

FP Canadian Newspapers Limited Partnership

($ in millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>25.7</td>
<td>27.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4.4</td>
<td>3.9</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>16.9%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>
FPLP

EBITDA % (Excluding Restructuring Charges)

* 2008 results include impact of lost publishing days at Winnipeg operations due to 16 day strike.
# Q1 – 2013 Review

(in thousands of dollars except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Last Twelve Months</th>
<th>Period from May 28, 2002 to Mar. 31, 2013</th>
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<tbody>
<tr>
<td>Distributable cash attributable to FPI</td>
<td>$4,994</td>
<td>$89,808</td>
</tr>
<tr>
<td>Distributable cash attributable to FPI – per share</td>
<td>$0.724</td>
<td>$13.011</td>
</tr>
<tr>
<td>Dividends declared by FPI – per share</td>
<td>$0.600</td>
<td>$11.573</td>
</tr>
<tr>
<td>Payout ratio</td>
<td>82.9%</td>
<td>88.9%</td>
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Outlook

• Economic outlook continues to be difficult to predict
• Overall revenues for 2013 expected to remain stable
• Erosion in areas such as classified mitigated partially by new revenue growth in areas such as digital
Outlook

• Commercial printing revenues to strengthen
• Expense outlook is for reduced costs, largely from 2012 restructuring initiatives
• Contracts have no 2013 wage increases
• Newsprint prices decreased in Q1
Outlook

• Major investment in capital spending to improve newspaper handling. $1.5 million in maintenance capital to install new conveyor system. $2.7 million in strategic capital to install high speed inserter to reduce labour costs