MACQUARIE AUSTRALIA CONFERENCE PRESENTATION & COMMENTARY

SYDNEY, 6 May 2016: Fairfax Media Limited [ASX:FXJ] Chief Executive Officer Greg Hywood will today deliver a presentation at the Macquarie Australia Conference in Sydney.

Presentation commentary and accompanying slides are attached.

As is our usual practice, the presentation contains a Trading Update, the details of which have been extracted below:

Trading Update

Overall Group revenues for continuing businesses are down 2% to 3% for the first 17 weeks of FY16 H2 (28 December 2015 to 24 April 2016) compared to the prior corresponding period. Fiscal 2016 year-to-date revenues for continuing businesses are up 0% to 1%.

Note that the base of last year includes 100% of MMP from February 2015 and 100% of Macquarie Media from April 2015.

Revenue across our current reporting segments for the first 17 weeks of FY16 H2:

- Metro Media, which includes Domain, is up around 2%.
  - Publishing revenues are down around 6%.
  - Domain overall revenue is up around 9% with its total digital business up 19%, and domain.com.au up 23%.
- Australian Community Media is down around 13%.
- New Zealand is down around 10% in local currency (NZD) and down around 15% in AUD.
- Macquarie Media is up around 49% on a continuing business basis (which excludes 96FM which was sold in January 2015) and up 43% on a reported basis. Last year's result includes only Fairfax Radio Network revenue until March 2015 and Macquarie Media from April 2015.

Our focus on cost reduction programs across publishing continues.

– ENDS –

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MACQUARIE AUSTRALIA CONFERENCE PRESENTATION COMMENTARY

SYDNEY, 6 May 2016: Fairfax Media Limited [ASX:FXJ] Chief Executive Officer Greg Hywood will today deliver a presentation at the Macquarie Australia Conference in Sydney. Comments accompanying the presentation are set out below.

Slide 1

Good afternoon everyone.

It's great to be presenting again at the Macquarie Australia conference. David Housego and I are pleased so many of you could join us today.

At this conference last year, I walked everyone through the work we had done to reshape, restructure and revitalise our business. We have continued that work. I will take you through the progress in each of our businesses, with a particular focus on the continuing transformation of Australian Metro Media.

I will also discuss Domain's strengthening position and the considerable long-term upside we see for the business.

Later in the presentation I will talk to the trading update we provided to the ASX this morning. In summary, the revenue trends are solid in the context of a challenging environment and our results reflect the many actions taken in recent years.

We have a strong balance sheet and we have the flexibility to seize opportunities, invest for growth, and take action with great confidence.

Slide 2

So to dive in – today's Fairfax Media is the strongest it has been for many years:

- *The Sydney Morning Herald* is Australia's number one masthead;
- Domain is a genuine competitor and Australia's fastest growing online real-estate business;
- Our Events business has expanded significantly and operates around 50 events;
- Stan has quickly established itself as the leading local SVOD platform;
- Australian Community Media will have achieved the targeted $60 million of annualised cost savings by the end of June;
- Stuff.co.nz is the number one local website in New Zealand; and
- Macquarie Media has the number one stations in Sydney and Melbourne.

Throughout the presentation you will see how each of our operating groups is pursuing clearly defined objectives to maximise strengths, adapt to the changed media environment, and drive shareholder value.

Slide 3

Over the last four years we have reset the 185-year-old Fairfax. We are now a modern media business that is diversified and ready, willing and able to be part of the future.

The strategic priorities and opportunities for each of our businesses feed into our Group strategy, which is to 'transform, grow and invest' to drive long-term performance.

We have delivered a 26% reduction in annualised publishing costs (that is $400 million).

At the same time, our digital and print audiences have never been larger, reaching 12.9 million Australians and 3.2 million New Zealanders, as well as 2.2 million radio listeners.

On Nielsen metrics, Fairfax is Australia's leading digital publisher.

Digital and non-print revenue as a proportion of Group revenue has lifted to 23%.

We have invested more than $300 million in new growth initiatives; more than $100 million on a share buy-back; and reduced our net debt by more than $1 billion.

Slide 4

Let's start with the first leg of our strategy – 'Transform'.

Over the last four years, we have reshaped all aspects of the way we operate. We have built a stronger, more diversified, digitally-driven business that is leaner and more agile.

We have never shied away from the fact that we are on a print to digital journey. We have prepared our business to minimise the downside and maximise the opportunity that digital disruption has created.

Quite frankly we are watching what is happening internationally rather than observing any local media. What we are doing in our business is as advanced as anything that is happening offshore.

Across the developed world we are seeing deep changes to the traditional seven-day-a-week publishing model that signals a new future: 24/7 digital and reduced print frequency. I will outline Fairfax's thinking about this a little later.

As I have said many times, we have a profitable publishing model that will evolve.

Slide 5

The work that we have done in recent years has enabled us to create a sustainable future for our publishing business.

Australian Metro Media has achieved a 33% reduction in operating costs.

We have done this through the combination of restructuring the Metro printing operations in Sydney and Melbourne; selling redundant plant and land and re-scaling into our smaller regional plants; removing unprofitable product from circulation; outsourcing ad production and contact centres; reducing our real estate footprint; amongst other measures.

We have evolved our commercial model to sustain and monetise our valuable large audiences, content and journalism. This goes beyond just advertising and cover price revenues – and now includes digital subscriptions, marketing services, events, data and more.

We have grown our Metro digital audience – reaching 6.4 million people a month – while continuing to perform well in print readership and print advertising market share.

Our digital and non-print revenues have grown to become 33% of Metro publishing revenues, excluding Domain.

We run our newsrooms on a 24/7 digital-first basis, where the production of a physical newspaper is an important product but is no longer the single driving force of news production.

Slide 6

The reality of media today can be summarised in four points:

1. Consumers have wholeheartedly embraced digital, as reflected by the rising use of search engines, social media as well as going online for news and information. Print is steadily declining but still attracting valuable audiences. Already around 70% of our Metro audiences reach us via digital means.

2. Print advertising and circulation revenue continue to decline. Digital display advertising and circulation alone cannot provide an offset.

3. Mass circulation print products involve a high level of fixed cost, notwithstanding the reduction and variabilisation we have achieved over the past four years.

4. Technology and systems costs to support legacy print and digital infrastructure have grown over the years, creating complex and expensive support requirements.

In short, failure to address the old – the traditional model – is not an option.

That's why four years ago, we moved early, to address this reality.

Slide 7

It should surprise no one, and certainly not us, that the seven-day-a-week publishing model will eventually give way to weekend-only or more targeted printing for most publishers. We are already seeing this happening offshore.

Quite simply it is likely that one day, the viability for newspapers on current trends will run out. It isn't going to happen overnight – but eventually it will.

People have accused us of being too pessimistic about print – perhaps it's more a case of being too honest for their liking. We prefer telling it like it is and planning for it.

So as you sit there asking 'is there a future sustainable, profitable publishing model'? We believe yes, there is.

We've done considerable work to transform the business and create flexibility and optionality around the future – and as we look to the horizon, we are confident that we are well positioned.

Exactly when we move towards implementing a new model for our Metro titles depends on the view we form about trends in consumer and advertiser behaviour, but all the signs indicate it is inevitable – although some time away. The model will take shape over the coming years as our transformational journey continues.

Slide 8

For our three major Metro news mastheads (the SMH, *The Age* and *The Australian Financial Review*), a new model would include 24/7 enhanced digital and likely a changed print proposition.

It is worth remembering where we were four years ago – facing enormous structural change – the sort of structural change that threatened the entire industry. A decision then to move out of Metro publishing would have cost the business an unmanageable $450 million.

Because of the work that we have done over the past four years a similar decision now would cost approximately $150 million, a manageable figure that will continue to fall over time as we take further structural costs out of the business. But moving out of Metro publishing is not a decision we need to make, nor should we.

We have a profitable publishing business – and we know there is a profitable publishing future with a different mix of digital and print than is currently the case.

Despite the costs we have taken out, our audiences have never been larger and our reputation for quality never higher, as reflected in our award-winning quality journalism.

These important attributes – together with our trusted brands and rich data and insights – will carry over to a future model.

Slide 9

We have done the work to understand the likely necessary ingredients of a future sustainable, profitable publishing model. These could include:

1. New innovative digital products to continue delivering engaging digital experiences for audiences, as well as reinvigorated targeted print products. In the case of the SMH and *The Age*, the newspapers could potentially offer a differentiated consumer experience designed for the weekend. This fits with what consumers want – 24/7 digital and print with more lifestyle and contextual information on the weekend when there is more time to engage.

2. A digital and print revenue model with print for the SMH and *The Age* reset to focus on the 65% of advertising revenue which is generated on the weekend. *Financial Review* print would likely focus on its weekday revenue strength.

3. A significantly reduced technology cost could be achieved by further optimising and simplifying technology and systems infrastructure for digital and print.

Already we are moving to a leaner cost base and creating flexible processes which allow for faster, low-cost digital development.

4. Material reduction in printing and distribution costs resulting from significant reduction in newspaper publishing frequency. We expect increased industry cooperation on printing and distribution.

5. Sales efficiency will be further improved through the alignment of ad exchanges and data generation which will help lift yields. Our sales teams are already reorienting to take advantage of automated buying as well as high-touch customised solution selling enriched by data.

6. Editorial content is being delivered more efficiently as audience metrics provide greater insight into consumer needs. The future would involve our newsrooms increasingly using data and insights to focus on delivering the core content that drives our audience and engagement and maintains our brand strength.

Together these initiatives would deliver a sustainable model for years to come across a mix of platforms.

Slide 10

For the SMH and *The Age*, 20% of stories produced across the newsroom generate 80% of digital audience traffic. We are increasingly focusing our editorial investment on the journalism that our audiences want.

That does not mean “click bait”. To the contrary.

Slide 11

Just take a look at the top 10 most read stories in March which show the depth of quality journalism we deliver to our audiences – spanning investigations, State issues, Federal politics, justice and breaking news, sport, entertainment and business.

Quality journalism will remain at the core of our future sustainable model because it gives us strategic differentiation from the fragmented offerings available in the market.

We see the future business still having large and growing audiences, with lower revenue but much lower cost, and sustainable EBITDA that is set up for growth.

The optionality we have developed means that our publishing business has inherent value now and in the times to come.

I want to make a final point about the print to digital journey. Digital-only publishing may be the next logical progression of the model, but we believe that the model we have discussed is sustainable for many years.

Slide 12

Still, we have confidence that, if necessary, we could make a more intensive digital-only model work because we are already doing it successfully and we have the proven capability.

Just look at our Digital Ventures publishing business.

It is delivering very strong growth in digital advertising revenue without the constraints of a high fixed legacy cost base.

This standalone portfolio attracts a large-scale diverse audience of around 7 million people a month.

Total revenue generated in this model has more than tripled over the past four years and the business is operating profitably.

Slide 13

Turning now to Australian Community Media.

The modern more consolidated business we have today is the result of the changes we have made in the last two years – and the evolution will and must continue.

We have simplified 65 largely separately run businesses into six geographic operating groups, while maintaining strong local news, content and sales capability.

Newsrooms have adopted new systems and a digital-first editorial model, operating as part of a network serving a digital audience of 1.8 million and 3.1 million print readers.

The targeted $60 million in annualised cost savings will be achieved by June.

The transformation of this business will continue to address ongoing structural change.

Slide 14

In New Zealand, Stuff.co.nz continues to experience strong audience growth, achieving a record audience of more than 2 million in March. This is growth of 83% over the last four years.

Stuff is the leading local digital brand, only behind global giants Google and Facebook.

Not only is Stuff the number one news site, it is number one in travel, business, health & fitness categories; and is number two in home & fashion and auto. We see significant opportunity for further monetisation of the strength in these key verticals through value-added services and commerce.

In four years, Stuff's growth has supported the increase in digital and non-print revenue to 9% of total.

The NZ digital network operates a membership model which has attracted almost 650,000 members across Stuff and neighbourhood community website Neighbourly. Neighbourly is a hyper-local, data rich platform which is already generating revenue and is expected to break-even this year.

Stuff's audience and membership model puts the NZ business in a strong strategic position.

The print environment remains challenging but the business is maintaining print market share and delivering significant cost efficiencies.

Slide 15

Moving to the second leg of our strategy – 'Grow'.

We have been building and investing in our major growth vehicle Domain – and growing verticals and leveraging areas where we have competitive strengths and skills, such as Life Media & Events. Our restructured Radio business has also been developing its full potential.

Slide 16

Domain is a genuine force and aggressive competitor in real estate media and services.

Over the past four years we have invested more than $150 million and implemented strategies which have provided Domain with the autonomy, scale, resources and capability to accelerate its growth and operate on a standalone basis.

Domain has made huge strides – and is the fastest growing of the top four online classifieds businesses in Australia.

The strengthening competitive position of Domain can be seen in the numbers:

- Agent penetration has lifted from 60% to more than 90%;
- Listings penetration has reached 89% and is fast closing the gap to full market penetration;
- Total visits have increased 102% in the past year, significantly closing the gap to its major competitor;
- Mobile visits are up 171% reflecting strong consumer response to our innovative product. Mobile is where 70% of leads come from, so clearly we are primed for future growth; and
- Total revenues have increased 94% in the past four years.

Domain is tracking as we expected, with strong digital revenue growth benefiting from product development and audience generation; and print declines consistent with broader structural trends.

There is significant upside still to come.

Slide 17

Our strategy for Domain has been very clear: to acquire all agents and listings – and you can see the impressive trends in these two graphs.

Domain has significantly outperformed in listings growth to close the gap to full market penetration from 34% to 11% since January 2014.

Slide 18

We have invested heavily in product development.

Our decision to prioritise mobile platforms has provided us with a competitive edge and allowed us to capitalise on the consumer momentum towards mobility. Domain has the highest rated mobile apps in the market.

Key innovations have included our School Catchment Zone feature, Home Price Guide, and integration with property check-in app Homepass in which Domain invested in late 2015.

We have leveraged and enriched our data to enhance user experience, which has in turn accelerated our audience growth.

Slide 19

Over the last 12 months Domain has seen a step change in its mobile audience position with the number of visits more than doubling to almost 31 million.

Slide 20

Domain's rapid growth in audience has substantially closed the gap to its main competitor. We're not there yet, there is still further upside.

Slide 21

We're often asked whether Domain can sustain its strong revenue momentum. Yes, it can. Is it a winner takes all environment? Absolutely not.

Domain is competing in a digital real-estate advertising market that is expected to double to around $1.5 billion over the next four years.

Online listings as a category is still under-priced relative to the overall cost of marketing a property for sale – and there is considerable opportunity for both depth, volume and yield growth. While depth revenues have grown significantly over the past three years, depth penetration is only around 15% to 20% of the overall market.

Additionally, we see the opportunity for increases in yield. In the last quarter, we have been able to implement listing price increases of 20% to 25%, while still remaining at a discount to our competitor.

We also see a significant opportunity to expand Domain's presence across the property lifecycle. Domain is starting to deliver material revenues from adjacent markets like home loans. And today we are announcing that we have acquired a 35% interest in Oneflare for around $15 million, a business that is focused on connecting consumers and tradies for home improvement services.

Oneflare has a great product, strong relationships with its customers and is a fast-growing business. Significant synergies can be brought to Oneflare through exposure to the Domain and Fairfax audiences, and by integrating Oneflare into Domain's agent services as a maintenance platform.

Slide 22

Turning now to Life Media & Events.

We have Australia’s largest mass participation events business, which leverages Fairfax’s brands and audiences by delivering real-life experiences, which are increasingly in demand in the digital age.

The Events business is growing – organically and by acquisition – with revenues up 114% over four years.

The number of consumer events has expanded from 12 to 47; the number of categories we operate has grown from 2 to 5; and event participant numbers have increased from 300,000 to 2.2 million.

Within Life Media, our journalism and content is attracting large audiences, which we are monetising via new transaction businesses. We see the opportunity for growth from our Drive brand and in our travel category, in particular.

Slide 23

Our radio business, Macquarie Media, is the leading news, talk, sport radio network with the number one stations in Sydney and Melbourne, engaging with a national audience of 2.2 million.

Macquarie is on track to deliver annualised merger synergy benefits of $15 million by June, and is targeting EBITDA in the range of $20 million to $25 million.

We remain optimistic about revenue upside from the new integrated sales approach.

Slide 24

Moving now to ‘Invest’ – the third leg of our strategy.

We have been investing to take advantage of growth opportunities, including creating value in our growth verticals of Domain, Life Media and Events, and Digital Ventures

Where it makes sense, we are in a position to leverage our balance sheet strength to pursue strategic opportunities and to create shareholder value.

Slide 25

We have created significant value in our Digital Ventures business, which has a proven capability to launch and grow businesses and also to exit businesses profitably if that is the best way to create value for shareholders. Successful exits include Stayz at a close to 17x multiple.

Digital Ventures has a diversified digital publishing portfolio generating a combined audience of around 7 million a month.

As I mentioned earlier, this portfolio is delivering very strong growth in revenue, with 33% CAGR over the past four years, and is operating profitably.

Titles in this portfolio operate with local staff contributing Australian content and leveraging global content from leading digital-only media groups in the US, the centrepiece of which is our joint venture with *The Huffington Post*.

Allure Media has exclusive partnerships with a portfolio of leading global publishing brands, including Business Insider, Gawker Media, Popsugar and Clique Media.

Digital Ventures is also building properties in niche local categories that attract large engaged audiences. This includes the website and apps from our highly successful weather services business Weatherzone, which is expected to deliver 26% revenue growth in FY16 along with strong EBITDA margins.

Our investment in SVOD service Stan is part of our Digital Ventures portfolio and will this month exceed 1 million gross signups and have 500,000 active subscribers.

Slide 26

When Stan launched 15 months ago there was no established SVOD category. Now SVOD is in more than 1 million Australian homes, many of which have shown willingness to subscribe to more than one SVOD service.

Stan is the largest domestic player in the Australian SVOD market, providing world-class international content, including via our exclusive multi-year deal with CBS's SHOWTIME, supplemented by local original products such as the Logie-nominated *No Activity* and highly-anticipated *Wolf Creek*.

Stan has created meaningful value, exceeding its business plan and on a clear path to profitability. In 2016, Stan has demonstrated sustained and accelerating net subscriber growth. Recent weekly sign-up run rates have doubled versus the same time last year, and we continue to see both an improvement in conversion and an exponential reduction in churn after conversion from trial to paying subscriber.

Stan is expected to reach cash flow breakeven during FY18.

Slide 27

Summing up – Fairfax is a business that has made, and is making, a rapid transition into a new sustainable business model.

In Domain it has a growth vehicle that will continue to perform and deliver strong sustained value for shareholders.

We understand that people are focused on Metro publishing – what we have outlined today is a very frank, transparent view of the potential future. This is an exciting time for the business and a value creation opportunity for our shareholders. Far from being cowed by the challenges facing the sector globally – we are energised by the opportunities.

Slide 28

I'll now provide an update on current trading.

Slide 29

Overall Group revenues for continuing businesses are down 2% to 3% for the first 17 weeks of FY16 H2 compared to the prior corresponding period. Fiscal 2016 year-to-date revenues for continuing businesses are up 0% to 1%.

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Our focus on cost reduction programs across publishing continues.

Slide 30

Thank you for your time. Our CFO David Housego will now join me for Q&A.

Slide 31

Slide 32

– ENDS –

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INVESTOR PRESENTATION

MACQUARIE AUSTRALIA CONFERENCE

GREG HYWOOD, CEO
DAVID HOUSEGO, CFO

SYDNEY, 6 MAY 2016

Fairfax Media

STRONG DIVERSIFIED MEDIA PORTFOLIO

DRIVING CONVERSATIONS THAT MATTER, CREATING CONNECTIONS THAT COUNT, ENGAGING WITH 70% OF AUSTRALIANS AND ALMOST 90% OF NEW ZEALANDERS

AUSTRALIAN METRO MEDIA	DOMAIN GROUP	LIFE MEDIA & EVENTS	DIGITAL VENTURES	AUSTRALIAN COMMUNITY MEDIA	NEW ZEALAND MEDIA	MACQUARIE MEDIA LIMITED
Leading metropolitan newspapers & digital media	Real estate media & services	Lifestyle media assets & events	Portfolio of digitally-focused growth assets	Leading rural & regional newspapers & digital media	Leading New Zealand newspapers & digital media	Leading national news, talk, sport & music radio network
Australia's #1 MASTHEAD across all platforms	Australia's FASTEST GROWING online real estate business	A portfolio of around 50 EVENTS across Australia & New Zealand	Including Australia's LEADING local subscription video on demand (SVOD) platform	Australia's LARGEST PUBLISHER of regional, rural & community newspapers & websites	New Zealand's #1 LOCAL WEBSITE	Sydney & Melbourne's #1 RADIO STATIONS
The Sydney Morning Herald	Domain	CITY2SURF	Stan.	THE LAND	stuff.co.nz	2GB 873AM / 3AW 693 NEWS TALK
8.6M AUSTRALIAN AUDIENCE	5.1M AUSTRALIAN AUDIENCE	4.6M AUSTRALIAN AUDIENCE	6.7M AUSTRALIAN DIGITAL PUBLISHING AUDIENCE	3.9M AUSTRALIAN AUDIENCE	3.2M NEW ZEALAND AUDIENCE	2.2M AUSTRALIAN RADIO LISTENERS

DELIVERING OUR STRATEGY

DEVELOPING AND BUILDING ON CORE STRENGTHS, INVESTING AND CONTINUING TRANSFORMATION TO CREATE SHAREHOLDER VALUE

TRANSFORM

ANNUALISED PUBLISHING COSTS

-26% OR -$400M

EMPLOYEE NUMBERS

-35%

GROW

FAIRFAX TOTAL AUDIENCE

12.9M | 3.2M

DIGITAL/NON-PRINT REVENUE % TOTAL

13%→23%

INVEST

INVESTMENT IN GROWTH INITIATIVES

$300M+

NET DEBT REDUCTION

$1.13BN→$(6)M

Note: Progress reflects FY12 H1 to FY16 H1.

TRANSFORM

> CONTINUE THE TRANSFORMATION OF THE PUBLISHING BUSINESS ON THE PRINT TO DIGITAL JOURNEY
> RESHAPE THE PUBLISHING MODEL
> CONTINUE TO DELIVER EFFICIENCIES
> MAINTAIN COST DISCIPLINE

AUSTRALIAN METRO MEDIA

OPTIMISING PRINT WHILE GROWING CORE DIGITAL BUSINESS AND BUILDING VALUE

	PUBLISHING OPERATING COSTS	PRINTING CAPACITY UTILISATION	PRINT READERSHIP	DIGITAL AUDIENCE	DIGITAL/NON-PRINT REVENUE AS % OF TOTAL
PROGRESS TO DATE	-33% since FY12 H1	40% → 90%+ since FY12	4.1M	6.4M	33% (excluding Domain)
AMBITION	CONTINUED TRANSFORMATION	MAXIMISE EFFICIENCY	OPTIMISE PRODUCT	MAINTAIN STRONG POSITION	CONTINUED GROWTH

Notes (L-R): Image 1 – Six months to December 2015 versus six months to December 2011; Image 2 – Capacity utilisation of Sydney and Melbourne printing plant before and after the closure of Chullora and Tullamarine; Image 3 and Image 4 – emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending February 2016, Nielsen Online Ratings February 2015 people 14+ only. Last four weeks. Nielsen Online Ratings February 2016 people 2+; Image 5 – Six months to December 2015.

REALITY OF TODAY'S MEDIA INDUSTRY

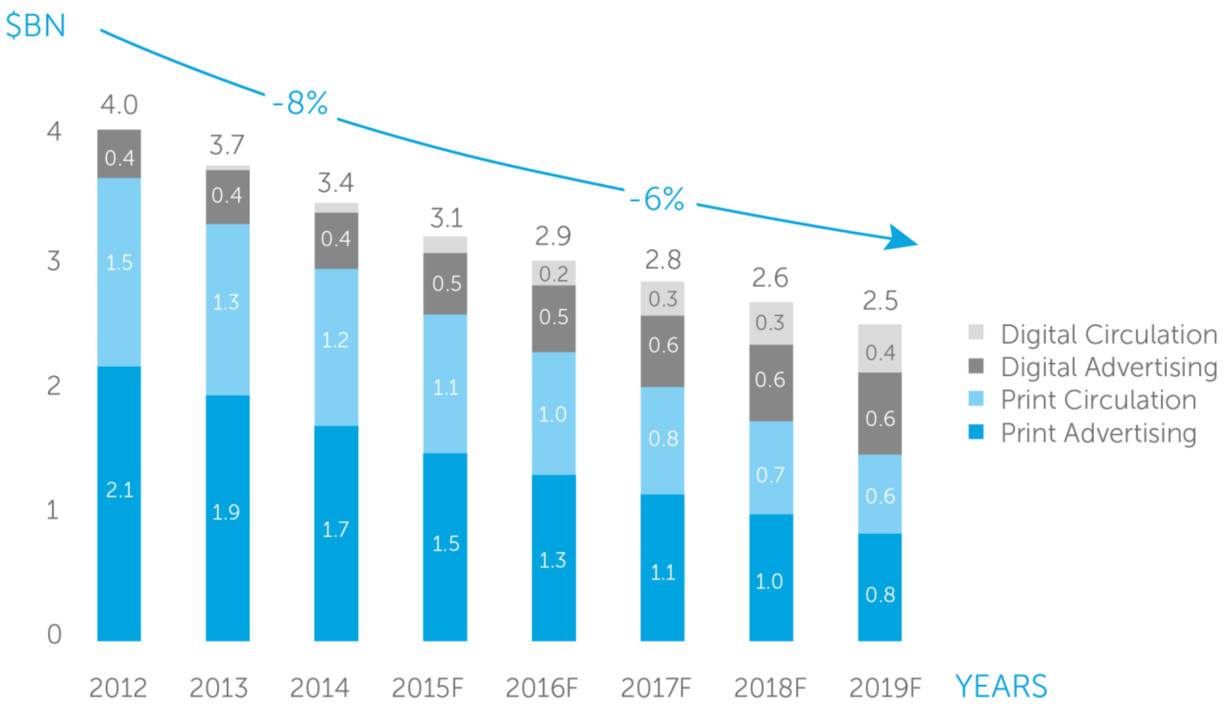
1 CONSUMERS HAVE WHOLEHEARTEDLY EMBRACED DIGITAL, WITH PRINT CONSUMPTION STEADILY DECLINING

2 PRINT ADVERTISING AND CIRCULATION REVENUE CONTINUE TO DECLINE

3 MASS CIRCULATION PRINT PRODUCTS INVOLVE A HIGH LEVEL OF FIXED COST

4 LEGACY TECHNOLOGY AND SYSTEMS COSTS HAVE CREATED COMPLEX AND EXPENSIVE SUPPORT NEEDS FOR PRINT AND DIGITAL

THE INDUSTRY TREND IN AUSTRALIA IS CLEAR



Source: PwC publisher report 2015, Magna Global.

OUR EMERGING FUTURE SUSTAINABLE, PROFITABLE METRO PUBLISHING MODEL

FOR THE SYDNEY MORNING HERALD, THE AGE AND THE AUSTRALIAN FINANCIAL REVIEW

CURRENT METRO MODEL

24/7 DIGITAL

MASS CIRCULATION PRINT

FUTURE MODEL EMERGES OVER COMING YEARS AS CHANGES IN CONSUMER AND ADVERTISER BEHAVIOUR CONTINUE

FAIRFAX WILL MAINTAIN LARGE-SCALE AUDIENCES, LOCALLY-FOCUSED QUALITY JOURNALISM, TRUSTED BRANDS AND RICH DATA AND INSIGHTS

FUTURE METRO MODEL

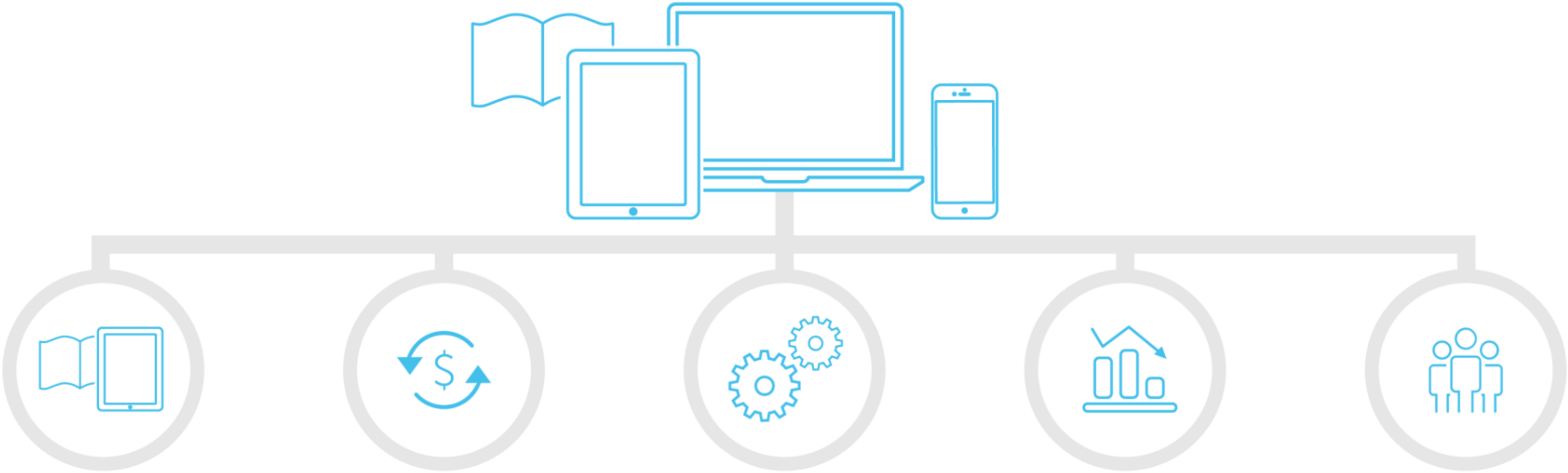
24/7 ENHANCED DIGITAL

TARGETED AND DIFFERENTIATED PRINT PROPOSITIONS

OPPORTUNITY OF FUTURE METRO MODEL FAR OUTWEIGHS THE APPROX. $150 MILLION IT WOULD CURRENTLY COST TO MOVE OUT OF THE METRO PUBLISHING BUSINESS. THAT FIGURE WAS $450 MILLION IN 2012. SUCH COST WILL CONTINUE TO REDUCE OVER TIME AS FURTHER STRUCTURAL COST IS REMOVED.

KEY INGREDIENTS

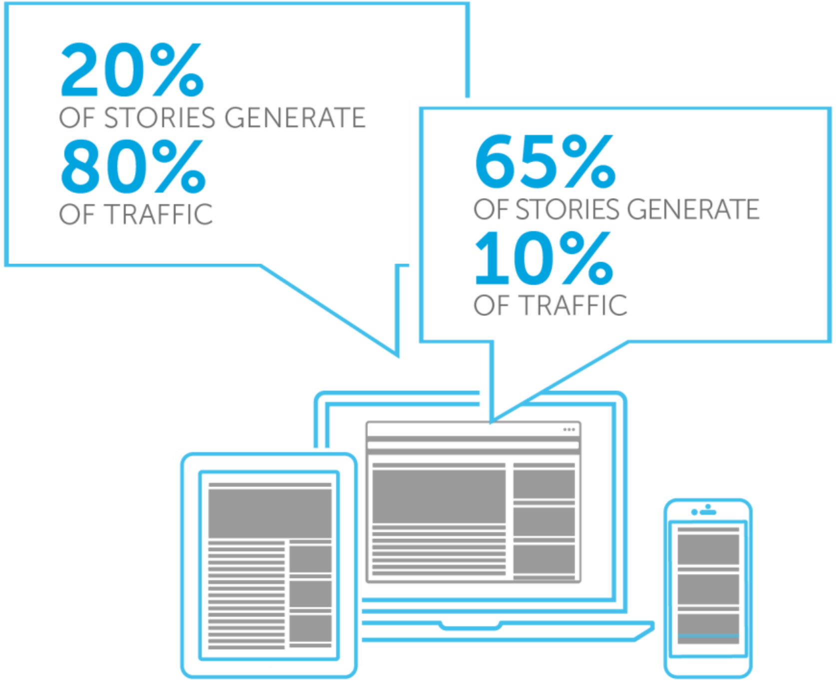
OF THE EMERGING FUTURE SUSTAINABLE, PROFITABLE METRO PUBLISHING MODEL



- NEW INNOVATIVE DIGITAL PRODUCTS AND REINVIGORATED TARGETED PRINT PRODUCTS
- DIGITAL/PRINT REVENUE MODEL WITH PRINT RESET, EG. FOCUS ON THE 65% OF AD REVENUE GENERATED ON THE WEEKEND (SMH & AGE) AND WEEKDAY REVENUE (FINANCIAL REVIEW)
- SIGNIFICANTLY REDUCED COSTS ACHIEVED BY FURTHER OPTIMISING AND SIMPLIFYING TECHNOLOGY AND SYSTEMS INFRASTRUCTURE FOR DIGITAL AND PRINT
- MATERIALLY REDUCED PRINTING AND DISTRIBUTION COSTS
- SALES AND EDITORIAL TEAMS CONTINUING TO DEVELOP NEW SKILLS AND EFFICIENCIES LEVERAGING DATA AND INSIGHTS

USING DATA AND INSIGHTS

TO FOCUS ON THE QUALITY JOURNALISM THAT DRIVES AUDIENCES



Note: Traffic measured includes news content across SMH/Age.

QUALITY JOURNALISM

DRIVES OUR NEWS AUDIENCE

THE BRIBE FACTORY | DAY 1 THE COMPANY THAT BRIBED THE WORLD

THIS IS WHY FINLAND HAS THE BEST SCHOOLS

MALWARE HIJACKS BIG FOUR AUSTRALIAN BANKS' APPS, STEALS TWO-FACTOR SMS CODES

QUEENSLAND TRADIE HAS $596M IN BANK, COURT TOLD

SHANE WARNE LABELS WALEED ALY 'ARROGANT' AFTER THE PROJECT INTERVIEW

BEST AND WORST HEALTH INSURERS REVEALED IN AMA REPORT CARD

QUEENSLAND COUNCIL ELECTIONS RESULTS LIVE COVERAGE

TRAPPED FOR A MONTH, WOMAN IN CHINA DIES IN LIFT

MAFIA LAWYER AND GELATI BAR OWNER JOSEPH 'PINO' ACQUARO GUNNED DOWN ON BRUNSWICK EAST STREET

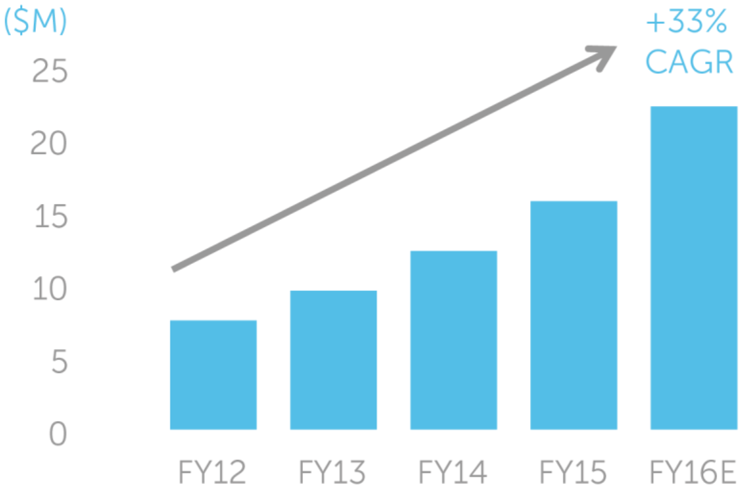
PARENTS OF OLIVIA INGLIS SPEAK OF THEIR LOSS AS HORSE THAT CRUSHED DAUGHTER IS EUTHANISED

Note: Rank based on article page views for the SMH and The Age over four weeks to 2 April 2016.

The Sydney Morning Herald THE AGE

DIGITAL-ONLY PUBLISHING

DELIVERING STRONG GROWTH PROFITABLY



DIGITAL VENTURES PUBLISHING REVENUE

DIGITAL VENTURES' PUBLISHING PORTFOLIO OF LEADING GLOBAL AND LOCAL BRANDS ACROSS NEWS, WEATHER, TECHNOLOGY AND LIFESTYLE

> PARTNERING WITH LEADING GLOBAL AND LOCAL DIGITAL PUBLISHING BRANDS.

> GENERATING COMBINED AUDIENCE OF ALMOST 7 MILLION AUSTRALIANS A MONTH.

> DELIVERING CONSISTENT AND STRONG GROWTH IN REVENUE.

> OPERATING PROFITABLY IN A CAPITAL LIGHT BUSINESS MODEL.

weatherzone° | THE HUFFINGTON POST | WHOWHATWEAR | BYRDIE | lifehacker | POPSUGAR. | SHOPSTYLE | MYDOMAINE | GIZMODO | Kotaku | BUSINESS INSIDER AUSTRALIA

Note: Graph shows 100% of revenue generated by digital-only publishing portfolio within Digital Ventures.

AUSTRALIAN COMMUNITY MEDIA

BUILDING A MODERN, CONSOLIDATED RURAL AND REGIONAL MEDIA NETWORK

	RATIONALISATION OF BUSINESS GROUPS	DIGITAL AUDIENCE	PRINT READERSHIP	ANNUALISED COST SAVINGS	COST REDUCTION
PROGRESS TO DATE	65→6	1.8M	3.1M	$60M by June 2016	-37% since FY12 H1
AMBITION	MAXIMISING EFFICIENCY	STRONG GROWTH	OPTIMISE PRODUCT	ONGOING TRANSFORMATION	CONTINUED EFFICIENCY

Notes (L-R): Image 2 and Image 3 – emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending February 2016, Nielsen Online Ratings February 2015 people 14+ only. Last four weeks. Nielsen Online Ratings February 2016 people 2+; Image 5 – Six months to December 2015 versus six months to December 2011.

NEW ZEALAND MEDIA

FAST-TRACKING DIGITAL GROWTH AND OPTIMISING PRINT

	AUDIENCE GROWTH stuff.co.nz	DIGITAL/NON-PRINT REVENUE AS % OF TOTAL	MEMBERS Neighbourly stuff.co.nz	PRINT ADVERTISING MARKET SHARE	OPERATING COSTS
PROGRESS TO DATE	+83% since FY12 H1	2%→9% since FY12 H1	643K	50.3%→50.6% since FY12 H1	-16% since FY12 H1
AMBITION	CONTINUED STRONG GROWTH	CONTINUED GROWTH	CONTINUED STRONG GROWTH	MAINTAIN MARKET SHARE AND OPTIMISE PRODUCTS	MAINTAIN COST EFFICIENCY

Notes (L-R): Image 1 – Nielsen Online Ratings March 2016 monthly unique audience 2+ including applications; Image 4 – February 2016 versus February 2012, SMI Datamonitor; Image 5 – Six months to December 2015 versus six months to December 2011.

GROW

> CONTINUE TO ACCELERATE THE GROWTH OF DOMAIN GROUP THROUGH INNOVATION
> GROW LIFE MEDIA & EVENTS AND OTHER CATEGORIES WHERE FAIRFAX HAS STRONG AUDIENCE AND BRANDS
> REALISE FULL POTENTIAL OF RESTRUCTURED RADIO BUSINESS

DOMAIN GROUP

ACCELERATING THE GROWTH OF OUR REAL ESTATE MEDIA AND SERVICES BUSINESS, HAVING ESTABLISHED A GENUINE COMPETITOR

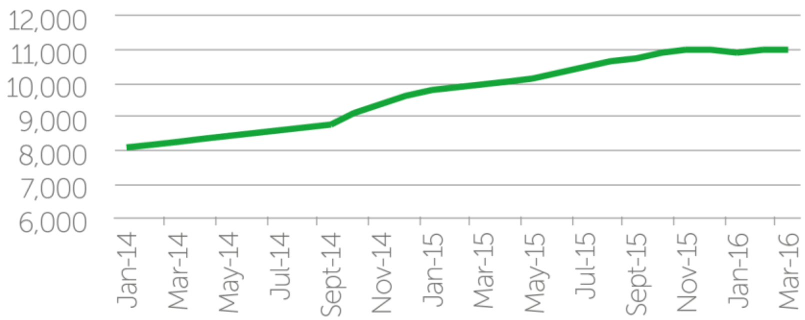
	AGENT PENETRATION	LISTINGS PENETRATION	TOTAL VISITS	MOBILE VISITS	TOTAL REVENUE
PROGRESS TO DATE	60% → 90%+ since FY12 H1	89%	41M+ 38% gap to main competitor	30M+ 27% gap to main competitor	+94% since FY12 H1
AMBITION	FULL PENETRATION OF TARGET MARKETS	FULL PENETRATION OF TARGET MARKETS	CONTINUED STRONG GROWTH	CONTINUED STRONG GROWTH	CONTINUED STRONG GROWTH

Notes (L-R): Image 1 and Image 2 – As at March 2016; Image 3 – Total monthly visits to main site, mobile site and mobile apps for domain.com.au and allhomes.com.au. Domain visits from Nielsen Online Market Intelligence (Home & Fashion Suite) for main site and mobile site, and Google Analytics for mobile apps at January 2016; Image 4 – Total monthly visits to mobile site and mobile apps for domain.com.au and allhomes.com.au. Domain visits from Nielsen Online Market Intelligence (Home & Fashion Suite) for mobile site, and Google Analytics for mobile apps at January 2016; Image 5 – Six months to December 2015 versus six months to December 2011.

DOMAIN GROUP

SUBSTANTIAL AGENT ACQUISITION HAS INCREASED LISTINGS, SIGNIFICANTLY ENHANCED THE CONSUMER EXPERIENCE AND PROVIDED GREATER UPSELL OPPORTUNITIES

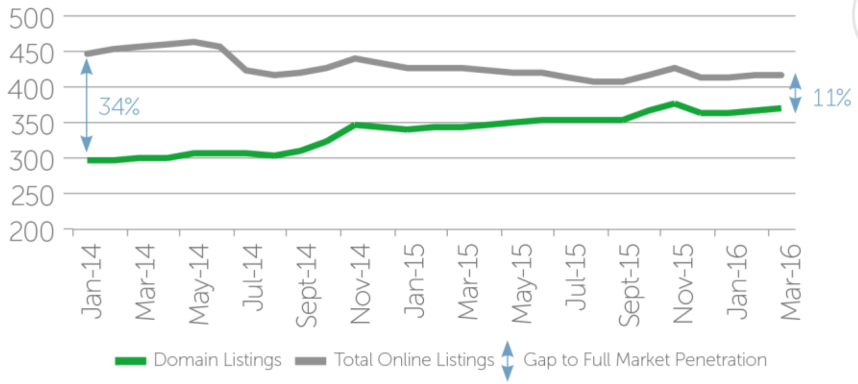
DOMAIN.COM.AU SUBSCRIBERS



> 11,000 Domain.com.au subscribers at the end of March 2016, approximately 90% penetration of the agent market.

> Significant investment in sales force and trade marketing has grown the subscriber base by 36% since January 2014.

TOTAL LISTINGS ('000)



> National online listings penetration reached 89% at the end of March 2016, up from 66% in January 2014.

> Domain is effectively at full listings market penetration in key metro markets.

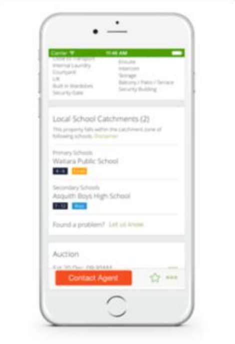
> Remaining listings gaps in regional Queensland and regional Victoria.

Source: Domain, Allhomes, APM PriceFinder.

DOMAIN GROUP

DOMAIN IS LEADING THE MARKET IN MOBILE PRODUCT INNOVATION

SCHOOL CHATCHMENT ZONES



- An Australian first – shows school catchment zone for each property
- Highly popular with families

HOME PRICE GUIDE

- Comprehensive data and images on Australian residential properties
- Free estimated property valuation
- Track the value of a property over time

DOMAIN + HOMEPASS INTEGRATION

- Allows Domain mobile app users to check-in at open for inspections
- Integration and synchronisation of data with agent CRM systems

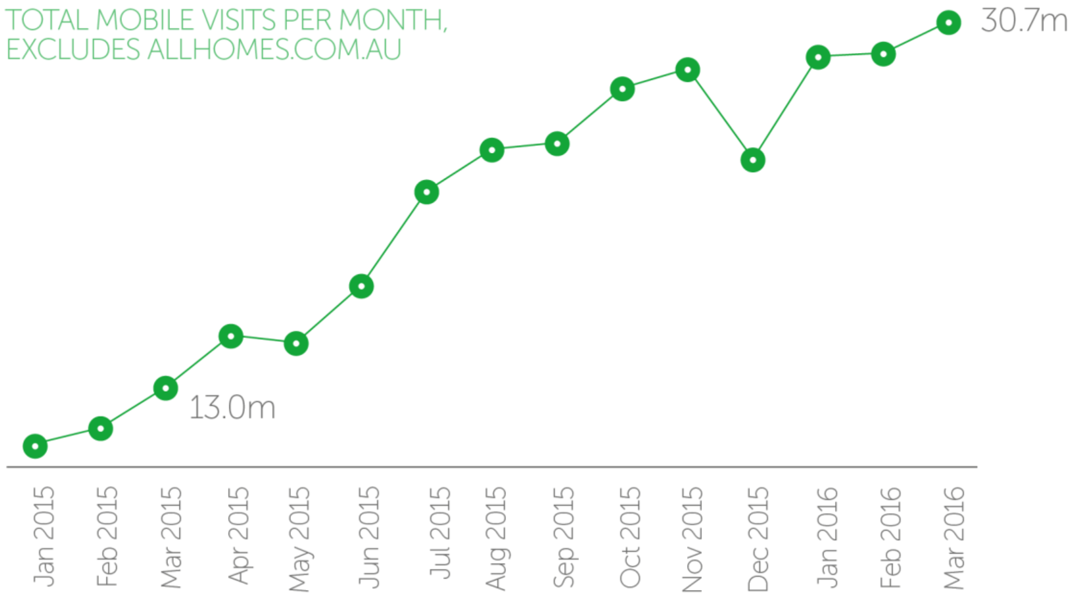
HIGHEST RATED MOBILE APPS IN THE MARKET [1]

- iOS = 3.5 stars
- Android = 4.2 stars

Note: 1. Based on consumer ratings in the App Store and Google Play for All Versions of property apps with more than 1,000 consumer reviews, as of 29 April 2016.

DOMAIN GROUP

DOMAIN HAS GROWN TOTAL MOBILE VISITS (MOBILE WEB AND APPS) BY 135% YEAR-ON-YEAR

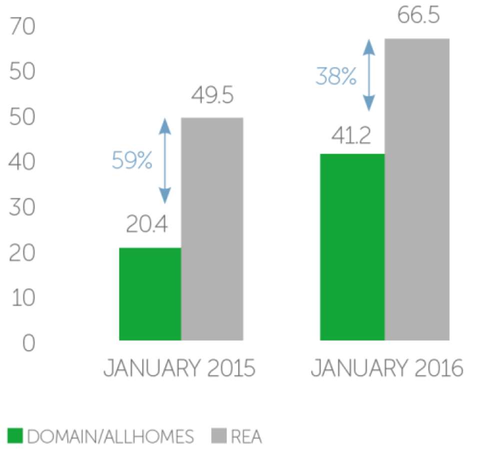


Source: Mobile website visits via Nielsen Market Intelligence, (Home and Fashion Suite), March 2016; MobileApp visits via Google Analytics, March 2016.

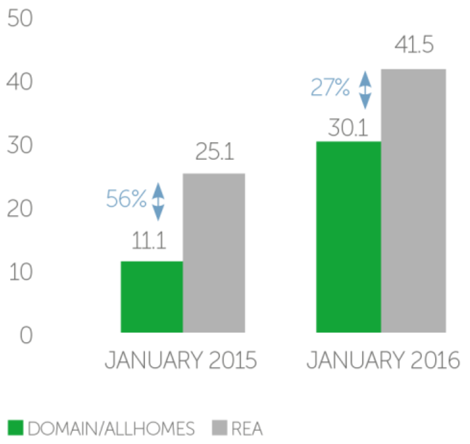
DOMAIN GROUP

DOMAIN IS SUBSTANTIALLY CLOSING THE GAP IN VISITS VERSUS ITS MAIN COMPETITOR

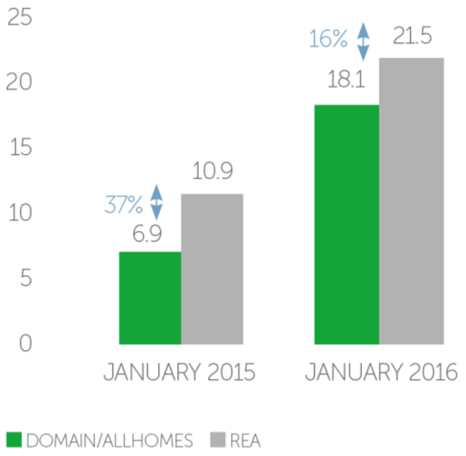
TOTAL VISITS (M)



TOTAL MOBILE VISITS (M-SITE AND APP) (M)



TOTAL APP VISITS (M)

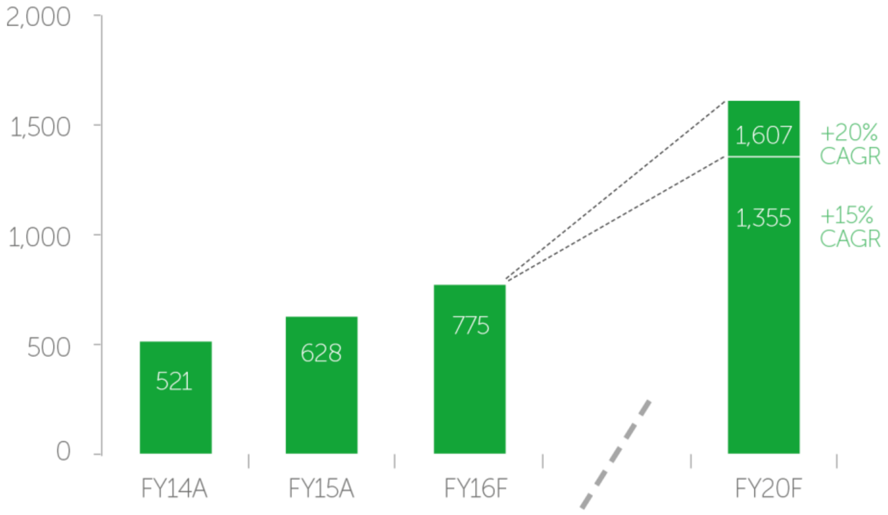


Note: Total monthly visits comprise visits to the main site, mobile site and mobile apps for domain.com.au/allhomes.com.au and realestate.com.au. Sources: Main site and mobile site visits for all brands are via Nielsen Market Intelligence (Home and Fashion Suite); Mobile app visits for Domain/Allhomes are via Google Analytics; Mobile app visits for realestate.com.au from REA published audience data.

DOMAIN GROUP

DOMAIN COMPETES IN A DIGITAL REAL ESTATE ADVERTISING MARKET THAT IS EXPECTED TO GROW TO AROUND $1.5BN OVER THE NEXT FOUR YEARS

AUSTRALIAN MARKET FOR REAL ESTATE DIGITAL ADVERTISING FY14A TO FY20F (A$M)



> The Australian market for real estate digital advertising is approximately $775m and is expected to be $1.35bn–$1.6bn by FY20.
>
> - This assumes a medium-term growth rate of 15%–20% driven by increased usage of depth products, and yield growth.

> Domain also competes in the real estate data and software service markets worth approximately $150m.

> There is significant upside opportunity for Domain to grow new revenues in adjacent markets (e.g. home loans, utilities connections, home improvement and other transactional services in the property ecosystem).

Note: Market definition includes digital advertising (subscriptions and listing fees) and lead generation services for residential, commercial, media and developers.
Source: Domain Group analysis based on competitor reports, industry reports and company information.

LIFE MEDIA & EVENTS

TURBOCHARGING TRAVEL, HEALTH, FOOD, PARENTING AND MOTORING PRODUCTS AND EVENTS BUSINESS

	EVENTS REVENUE	GROWTH IN NO. OF CONSUMER EVENTS	EVENTS CATEGORIES	EVENT PARTICIPANT NUMBERS	LIFE MEDIA AUDIENCE
PROGRESS TO DATE	+114% since FY12 H1	12→47 since FY12 H1	2→5 since FY12 H1	300K→2.2M since FY12 H1	4.6M
AMBITION	CONTINUED STRONG GROWTH	PROFITABLE EXPANSION	FURTHER CATEGORY & GEOGRAPHIC EXPANSION	CONTINUED GROWTH	CONTINUED GROWTH

Notes (L-R): Image 1 – Six months to December 2015 versus six months to December 2011; Image 2, Image 3 and Image 4 – 12 months to June 2016 versus 12 months to June 2012; Image 5 – emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending February 2016, Nielsen Online Ratings February 2015 people 14+ only. Last four weeks. Nielsen Online Ratings February 2016 people 2+.

MACQUARIE MEDIA

OPERATING A STRONGER NATIONAL NEWS, TALK AND SPORT RADIO NETWORK WITH NUMBER ONE STATIONS IN SYDNEY AND MELBOURNE

	SYDNEY RANKING	MELBOURNE RANKING	AUDIENCE	ANNUALISED MERGER SYNERGY BENEFITS	EBITDA
PROGRESS TO DATE	No. 1	No. 1	2.2M	up to $15M	$20M-$25M target for FY16
AMBITION	MAINTAIN LEADERSHIP	MAINTAIN LEADERSHIP	MAINTAIN MARKET SHARE	MAINTAIN COST EFFICIENCY	CONTINUED GROWTH

Notes (L-R): Image 1, Image 2 and Image 3 – GfK Survey 2, 2016.

INVEST

- > CONTINUE TO INVEST IN GROWTH BUSINESSES
- > DEVELOP NEW GROWTH VERTICALS (E.G. STAN)
- > PURSUE STRATEGIC OPPORTUNITIES
- > LEVERAGE BALANCE SHEET STRENGTH

DIGITAL VENTURES

CREATING VALUE THROUGH INVESTMENT IN HIGH GROWTH DIGITAL OPPORTUNITIES

	DIGITAL PUBLISHING REVENUE	FACEBOOK VIDEO VIEWS HUFF POST AUSTRALIA	PORTFOLIO OF GLOBAL BRANDS allure MEDIA	REVENUE GROWTH weatherzone	ACTIVE SUBSCRIBERS Stan.
PROGRESS TO DATE	+33% CAGR since FY12	150M in last 90 days	6→9 titles since FY12	+ 26% in FY16	500k
AMBITION	CONTINUED STRONG GROWTH	CONTINUED GROWTH	CATEGORY EXPANSION	CONTINUED STRONG GROWTH	CONTINUED STRONG GROWTH

Notes: Image 3 – 12 months to June 2016 versus 12 months to June 2012.

STAN IS AT THE FOREFRONT OF A NEW ERA OF ENTERTAINMENT

AHEAD OF BUSINESS PLAN WITH 1 MILLION+ GROSS SIGN-UPS AND 500,000 ACTIVE SUBSCRIBERS

Multi-year exclusive deal with CBS makes Stan the official home of SHOWTIME in Australia

SHOWTIME

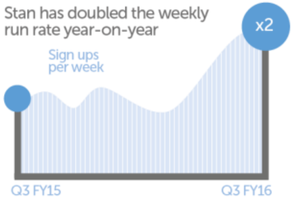
Local original productions with global syndication potential, including Wolf Creek and Logie Award-nominated No Activity

Stan performs strongly in Canstar measure of overall satisfaction of Australian Paid TV Services[1]

CANSTAR

NETFLIX	★★★★★
Stan.	★★★★
FOXTEL	★★★
presto	★★★
Quickflix	★★★

Strong operational performance



Expected to reach cash flow break even during FY18

Source: 1. Canstar Blue research finalised in February 2016, published in March 2016.

SUMMARY

TRADING UPDATE

TRADING UPDATE

> Overall Group revenues for continuing businesses are down 2% to 3% for the first 17 weeks of FY16 H2 (28 December 2015 to 24 April 2016) compared to the prior corresponding period. Fiscal 2016 year-to-date revenues for continuing businesses are up 0% to 1%.

> Revenue across our current reporting segments for the first 17 weeks of FY16 H2:

- Metro Media, which includes Domain, is up around 2%.
  - Publishing revenues are down around 6%.
  - Domain overall revenue is up around 9% with its total digital business up 19% and domain.com.au up 23%.
- Australian Community Media is down around 13%.
- New Zealand is down around 10% in local currency (NZD) and down around 15% in AUD.
- Macquarie Media is up around 49% on a continuing business basis (which excludes 96FM which was sold in January 2015) and up around 43% on a reported basis. Last year's result includes only Fairfax Radio Network revenue until March 2015 and Macquarie Media from April 2015.

> Our focus on cost reduction programs across publishing continues.

Note: Group revenue base of last year includes 100% of MMP from February 2015 and 100% of Macquarie Media from April 2015.

Q&A

THANK YOU

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