

INVESTOR BRIEFING

# 2017 HALF-YEAR RESULTS

22 FEBRUARY 2017



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# AGENDA

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# OVERVIEW & CEO COMMENTARY

GREG HYWOOD, CEO



# CONSIDERATION OF DOMAIN SEPARATION

- Fairfax is conducting a strategic review of the Domain Group in preparation for Domain's potential separation into a new Fairfax controlled ASX-listed entity.
- Fairfax would continue to own a controlling majority of Domain (between 60% and 70%), while issuing shares in Domain to Fairfax shareholders at the time the separation is implemented. The current intention is that no new capital will be raised.
- The separation would result in:
  - A separately ASX-listed entity establishing direct valuation for Domain;
  - Boards and management teams that will be better able to develop distinct strategies, manage capital structures and conduct investment decisions for their respective businesses; and
  - The opportunity for Domain to attract new shareholders with different investment criteria.
- Domain Group CEO Antony Catalano will continue to lead the exceptionally talented management team which is driving the strong performance of the business.
- The decision to proceed with the Domain separation will be subject to a number of conditions including satisfactory outcome of discussions with the Australian Taxation Office and a Fairfax shareholder vote.
- The separation would be expected to complete this calendar year. We will provide updates on timing and structure.

# GROUP TRADING PERFORMANCE

## Trading Performance excluding significant items

	FY17 H1
25 December 2016	\$m
Total revenue	902.9
Expenses	(758.4)
Operating EBITDA	145.1
EBIT	126.8
Net profit attributable to members of the Company	84.7
Earnings per share	3.7

## Trading Performance excluding significant items

	FY16 H1
	\$m
	958.1
	(799.7)
	161.1
	126.4
	79.8
	3.4

Change
%
(5.8%)
5.2%
(9.9%)
0.3%
6.1%
8.8%

- Group revenue for continuing businesses decreased 5.8% to \$902.9m.
- Group expenses for continuing businesses decreased 5.2% to \$758.4m.
- Underlying EBITDA of \$145.1m decreased by 9.9%.
- Underlying EBIT of \$126.8m increased 0.3%.
- Net profit of \$84.7m increased 6.1%.
- Statutory net profit of \$83.7m including significant items of \$1.0m after tax.
- Dividend of 2¢ per share (70% franked) payable on 22 March 2017.

# SEGMENT RESULTS OVERVIEW

## EXCLUDING SIGNIFICANT ITEMS

	Revenue			EBITDA		
	FY17 H1	FY16 H1	%	FY17 H1	FY16 H1	%
	A\$m	A\$m	change	A\$m	A\$m	change
Domain Group	162.9	153.9	5.8%	57.3	65.7	(12.8%)
Australian Metro Media	279.1	304.1	(8.2%)	27.7	31.5	(12.2%)
Australian Community Media*	225.6	257.1	(12.2%)	43.1	45.2	(4.7%)
New Zealand Media*	159.2	166.0	(4.1%)	25.9	27.6	(6.2%)
Macquarie Media Limited	69.6	69.0	1.0%	13.3	12.0	11.2%
Corporate and Other	6.4	8.1	(20.3%)	(22.2)	(20.9)	(5.9%)
<b>Total</b>	<b>902.9</b>	<b>958.1</b>	<b>(5.8%)</b>	<b>145.1</b>	<b>161.1</b>	<b>(9.9%)</b>
New Zealand Media* \$NZD	167.5	182.4	(8.1%)	27.3	30.3	(9.9%)

- Reported group revenue decrease of 5.8%:
  - Domain revenue up 5.8% with digital revenue up 15.3%.
  - Metropolitan Media revenues down 8.2%.
  - Australian Community Media revenues down 12.2% (10.2% excluding external print revenue).
  - New Zealand (\$NZ) revenues down 8.1% (8.6% excluding external print revenue).
  - Radio revenues up 1.0%.
- Reported group EBITDA decrease of 9.9%.
- Trading in the first two weeks of February saw revenues around 6% below last year. Trading in January saw revenues around 10% below last year in a slower than usual start across the media industry.

Note: \* Australian Community Media and New Zealand Media – Revenue includes external printing revenue (only included in the segment slide).

# DELIVERING OUR THREE STRATEGIC PRIORITIES

CREATING SHAREHOLDER VALUE BY DEVELOPING AND BUILDING ON CORE STRENGTHS, DELIVERING PUBLISHING TRANSFORMATION, AND INVESTING TO BUILD-OUT NEW REVENUE STREAMS



## GROW DOMAIN

- Maintain effective full market penetration in agents and listings
- Drive depth revenue growth through greater market penetration, yield growth and new listing products
- Continue to grow a high-quality national audience
- Grow and extend the property customer value proposition through adjacencies



## TRANSFORM PUBLISHING

- Continue to develop digital capability and products
- Build roadmap to sustainable digital publishing business
- Continue cost focus
- Manage decline in print revenues and sustain a commercially successful print proposition



## CREATE NEW REVENUE STREAMS

- Build scalable digital businesses
- Diversify revenue streams and build new businesses and platforms that leverage Fairfax's brands and audiences
- Utilise via partnerships and JVs for increased capability



# GROW DOMAIN

## DOMAIN GROUP

12% depth revenue growth

Strong digital media, developers  
& commercial revenue growth

27% increase in average monthly mobile visits

Domain

# DOMAIN GROUP

DIGITAL INCLUDES DOMAIN ONLINE, PRICEFINDER, MYDESKTOP, COMMERCIAL REAL ESTATE, ALLHOMES AND REGIONAL. PRINT INCLUDES THE SYDNEY MORNING HERALD, THE AGE, THE CANBERRA TIMES AND MMP

6.4M

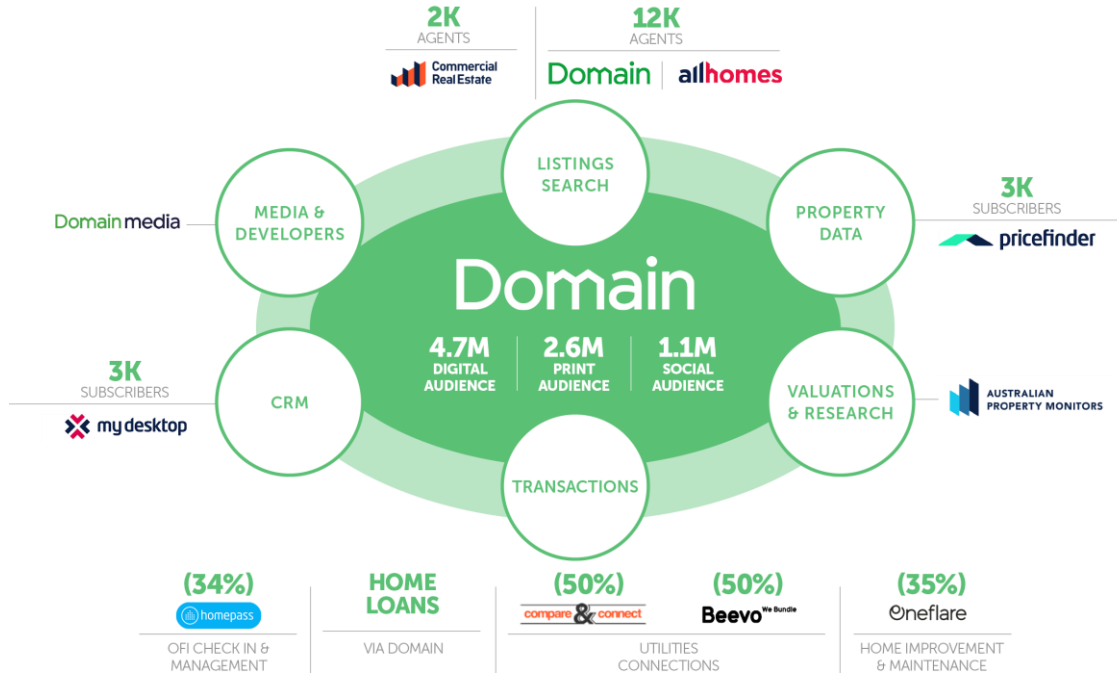
TOTAL  
DE-  
DUPLICATED  
AUDIENCE

- 15% digital revenue growth, supported by depth revenue growth of 12% (79:21 depth:subscriber revenue split for FY17 H1).
- Strong digital media, developers & commercial revenue growth.
- Total print revenue decline of 11%.
- Total expenses increased 19%, with digital expenses up 44% (27% excluding acquisitions and one off costs) reflecting continued investment in staff, technology and product. Print expenses declined 11% reflecting the implementation of efficiencies across the Group.
- H2 expense growth expected to moderate to around 13% year on year.
- Modest loss from Associates reflects investment in early stage businesses Oneflare and Homepass.

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Advertising - Print	48.6	54.8	(11.3%)
Advertising - Digital	114.3	99.1	15.3%
Total Revenue	162.9	153.9	5.8%
Associate profit (loss)	(0.5)	-	
Expenses	(105.1)	(88.2)	(19.2%)
EBITDA	57.3	65.7	(12.8%)
EBITDA - Print	13.6	15.4	(11.7%)
EBITDA - Digital	43.7	50.3	(13.1%)
Margin - Total	35.2%	42.7%	
Margin - Print	28.0%	28.1%	
Margin - Digital	38.3%	50.8%	

# DOMAIN GROUP

DOMAIN IS A REAL-ESTATE MEDIA AND SERVICES BUSINESS AT THE CENTRE OF THE AUSTRALIAN PROPERTY ECOSYSTEM



Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending October 2016, Nielsen Digital Ratings (Monthly) October 2016 people 2+ (computer), people 18+ (smartphone/tablet).

# DOMAIN GROUP

700 HIGHLY-ENGAGED EMPLOYEES WORKING ACROSS SYDNEY, MELBOURNE, BRISBANE, CANBERRA, ADELAIDE AND PERTH OFFICES



# DOMAIN GROUP

DOMAIN HAS SIGNIFICANT OPPORTUNITIES TO GROW WITHIN EXISTING ACTIVITIES AND NEW TRANSACTION SERVICES

## RESIDENTIAL (ESTABLISHED & NEW DEVELOPMENTS)

- Geographic expansion nationwide
- Further depth product penetration
- Yield increases driven by audience growth

## MEDIA

- Significant tailwinds from two years of rapid audience growth
- Increased product effectiveness and yield management
- Content offerings underpinned by high-quality journalism

## COMMERCIAL REAL ESTATE

- Listing sessions up 134% in FY17 H1
- National agent ownership model in place
- Significant growth opportunity particularly in VIC and QLD

## AGENT SERVICES

- Subscriber and yield growth from full-service offering: Data, CRM and OFI management
- Grow new transaction revenues in partnership with agents

## TRANSACTIONS

- Rapid growth in home loans and utilities connections
- Position in home improvement & trade services
- Further opportunities in transactional services across the property lifecycle

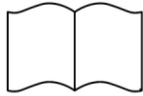
# DOMAIN GROUP

DOMAIN ACHIEVED RECORD AUDIENCE MILESTONES IN THE LAST SIX MONTHS



**4.7M**

RECORD MONTHLY  
DIGITAL AUDIENCE



**2.6M**

RECORD MONTHLY  
PRINT AUDIENCE



**46M**

RECORD MONTHLY  
VISITS



**5.3M+**

RECORD TOTAL  
APP DOWNLOADS



**36K+**

RECORD AVERAGE  
DAILY UBS



**1.1M**

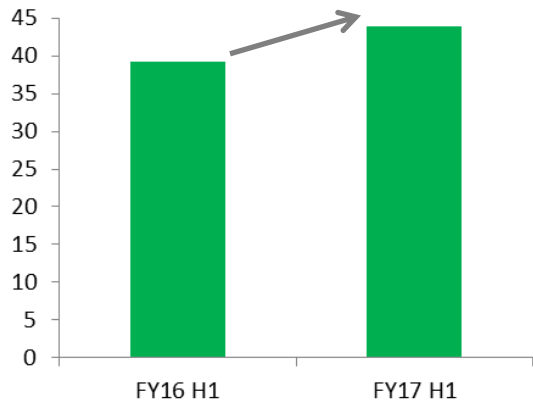
RECORD TOTAL SOCIAL  
MEDIA FOLLOWERS

Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending October 2016, Nielsen Digital Ratings (Monthly) October 2016 people 2+ (computer), people 18+ (smartphone/tablet); Main site and mobile site visits - Nielsen Market Intelligence (Home & Fashion Suite); Mobile app visits for Domain/Allhomes - Google Analytics.

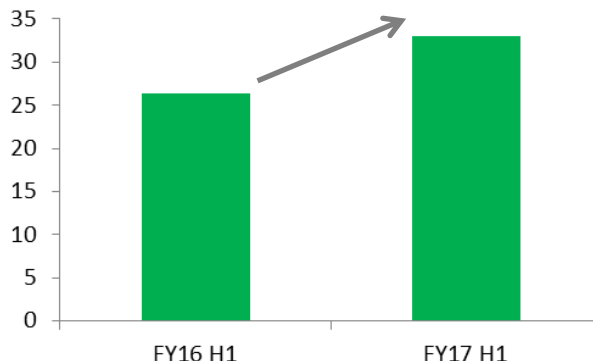
# DOMAIN GROUP

DOMAIN IS GROWING VISITS, PARTICULARLY IN MOBILE

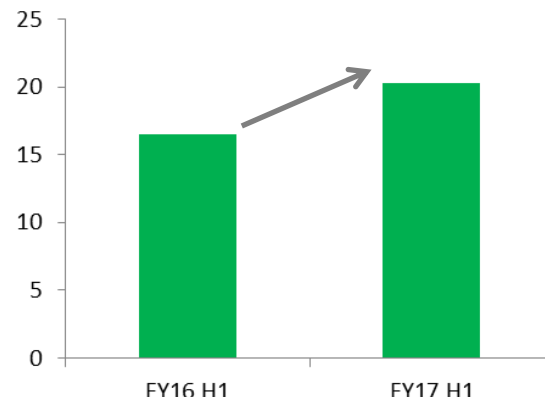
**+13%**  
Total Visits (M)



**+27%**  
Total Mobile Visits (m-site and app) (M)



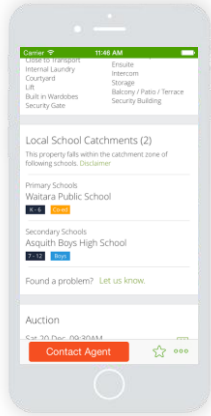
**+23%**  
Total App Visits (M)



Source: Average monthly visits for Domain, Allhomes and Commercial Real Estate combined. Main site and mobile site visits - Nielsen Market Intelligence (Home & Fashion Suite). Mobile app visits - Google Analytics.

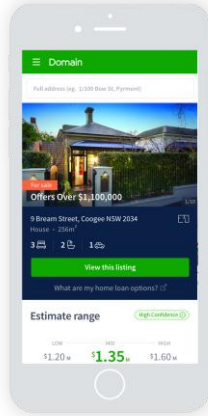
# DOMAIN GROUP

DELIVERING FIRST TO MARKET MOBILE-LED PRODUCT INNOVATION



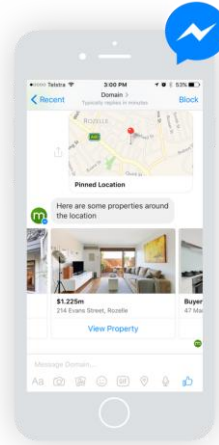
## SCHOOL CATCHMENT ZONES

Valuable data on schools and catchment zones displayed on listings to inform property buyers



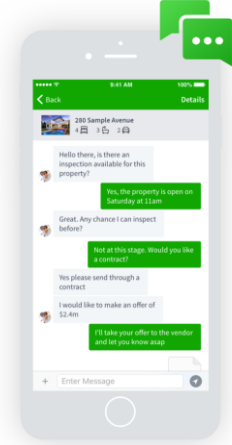
## HOME PRICE GUIDE

Easily searchable database of 13m+ properties with estimated property value, sales history and comparable surrounding properties



## FACEBOOK MESSENGER BOT

First company in Australia to launch bot facilitating enquiries on properties for sale nearby and providing instant property valuation estimates



## CHAT PLATFORM

Direct interaction between consumers and agents using a simplified messenger chat platform



# DOMAIN GROUP

AWARD-WINNING MOBILE INNOVATION BENEFITS DOMAIN ECOSYSTEM



Highest rated consumer app for iOS and Android in property category



2016 Design Champion Award for Domain Facebook Messenger Chat Bot

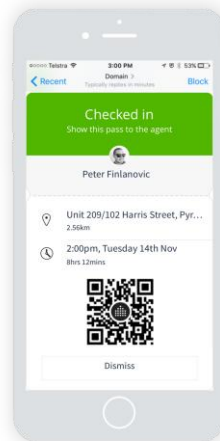


2016 Google's Best Local Apps



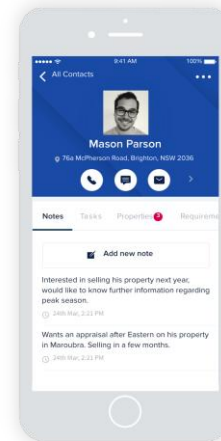
2017 Glomo Awards for Best Mobile App for the Connected Lifestyle

Source: Based on consumer ratings (all versions) in the App Store and Google Play. 20/02/2017.



## HOMEPASS

Homepass has achieved 1m+ consumers "checked-in" to open for inspections



## MYDESKTOP

Domain's market-leading Customer Relationship Management platform supported by best-in-market mobile application

# TRANSFORM PUBLISHING

## AUSTRALIAN METRO MEDIA

22% growth in digital subscription revenue  
226k paid digital subscribers (SMH/Age/Financial Review)  
9% publishing cost improvement

## AUSTRALIAN COMMUNITY MEDIA

12% cost improvement  
EBITDA margin growth

## NEW ZEALAND MEDIA

21% digital revenue growth  
8% cost improvement



# AUSTRALIAN METRO MEDIA

INCLUDES THE AUSTRALIAN FINANCIAL REVIEW, THE SYDNEY MORNING HERALD, THE AGE, DIGITAL VENTURES, LIFE AND EVENTS

- Metro publishing advertising revenue decline of 16%.
- Growth in digital subscription revenue of 22% largely offset declines in print circulation revenue.
- Events revenue growth of 2.5%.
- Tenderlink sold in October 2016, reflected in Digital Ventures.
- Reduction in Metro Media costs of 8% with publishing costs down 9%. Continued cost discipline throughout the publishing business.
- Developing next generation publishing model.

Note: Printing contribution nets off in costs.

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Advertising	124.3	149.1	(16.6%)
Circulation	114.8	113.8	0.9%
Other	40.0	41.2	(3.1%)
<b>Total Revenue</b>	<b>279.1</b>	<b>304.1</b>	<b>(8.2%)</b>
Associate profit (loss)	0.7	0.4	92.3%
Expenses	(252.1)	(272.9)	7.6%
<b>EBITDA</b>	<b>27.7</b>	<b>31.5</b>	<b>(12.2%)</b>
<b>EBIT</b>	<b>24.2</b>	<b>17.0</b>	<b>42.0%</b>
<b>EBITDA Margin</b>	<b>9.9%</b>	<b>10.4%</b>	

A

FY16 H1 \$1.8m moved from Advertising Revenue to Other Revenue.

# AUSTRALIAN COMMUNITY MEDIA

AUSTRALIAN REGIONAL, COMMUNITIES, AGRICULTURAL AND ACT PUBLISHING

4.5M

TOTAL  
DE-  
DUPLICATED  
AUDIENCE

- Revenue impacted by transformation program with exits and frequency changes across unprofitable titles.
- Agriculture advertising revenue above last year by 4%.
- Circulation revenue decline reflects weaker retail performance.
- Cost improvement of 12% with the benefit of transformation and continued cost saving initiatives.
- H1 EBITDA margin improved on last year.

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Advertising	152.7	172.1	(11.3%)
Circulation	41.4	46.0	(9.9%)
Other	10.3	9.7	6.7%
Total Revenue	204.5	227.8	(10.2%)
Associate profit (loss)	0.8	1.1	(28.9%)
Expenses	(162.2)	(183.6)	11.7%
EBITDA	43.1	45.2	(4.7%)
EBIT	39.8	36.7	8.4%
EBITDA Margin	21.1%	19.9%	

Note: Printing contribution nets off in costs.

# NEW ZEALAND MEDIA

## NEWSPAPERS AND WEBSITES

- In \$AU, revenue is down 4.5% and EBITDA is down 6.2% from FY16 H1.
- Total revenue decline of 9% (6% excluding magazines disposals).
- Digital revenue growth of 21%.
- Events revenue growth of 202% with new events.
- Strong cost management with 8% reduction in costs (5% excluding magazines disposals) while still investing in digital, events and acquisitions.
- Ownership of Neighbourly increased to 70%.
- Merger with NZME currently being considered by NZ Commerce Commission.

	FY17 H1	FY16 H1	%
	NZ\$m	NZ\$m	change
Advertising	<b>107.9</b>	119.8	(9.9%)
Circulation	<b>51.1</b>	55.6	(8.1%)
Other	<b>7.0</b>	6.2	13.5%
Total Revenue	<b>166.0</b>	181.5	(8.6%)
Associate Profits (Loss)	<b>0.1</b>	(0.6)	110.3%
Expenses	<b>(138.8)</b>	(150.6)	7.9%
EBITDA	<b>27.3</b>	30.3	(9.9%)
EBIT	<b>22.4</b>	23.7	(5.4%)
EBITDA Margin	<b>16.4%</b>	16.7%	

Note: Printing contribution nets off in costs.

# CREATE NEW REVENUE STREAMS

## DIGITAL VENTURES

700,000+ active Stan subscribers

## EVENTS

Focus on profitability after three years of rapid expansion

## MACQUARIE MEDIA LIMITED

EBITDA increased 11%



# DIGITAL VENTURES

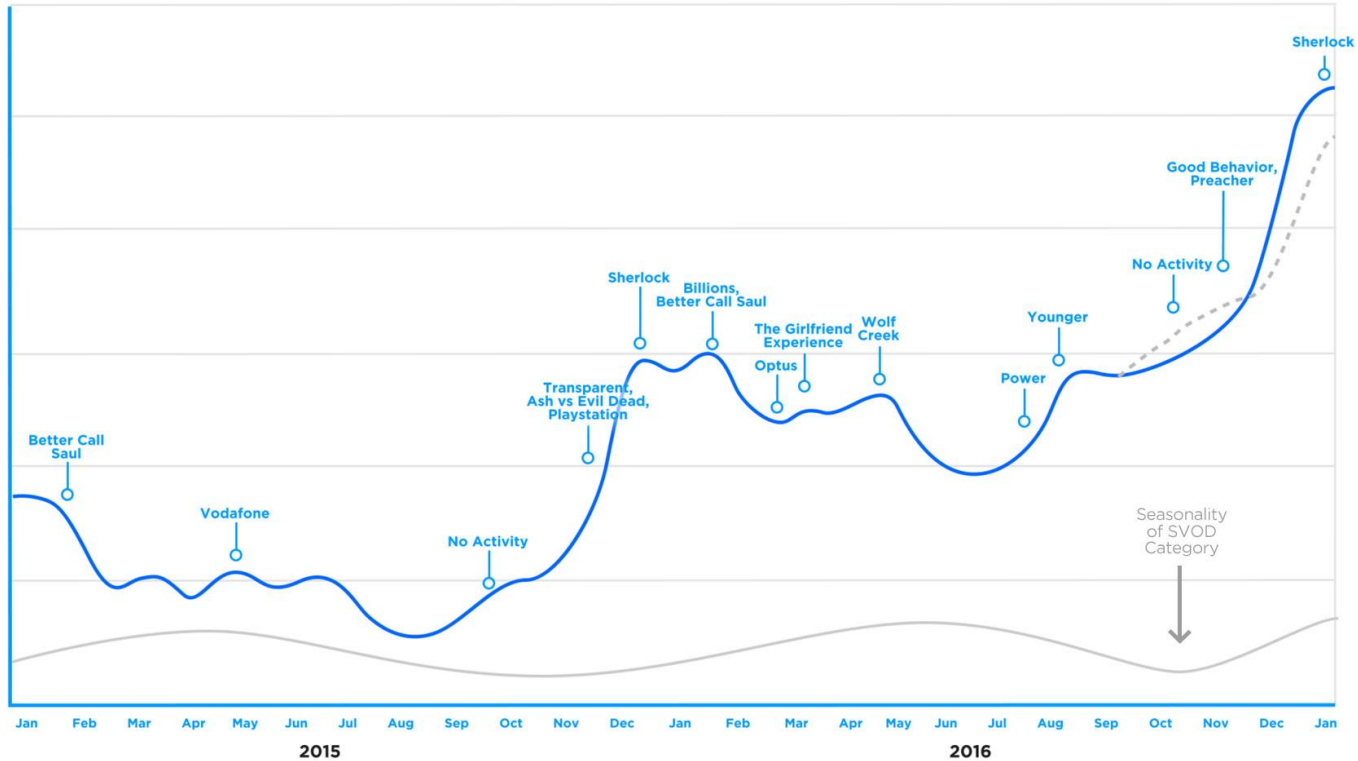
STAN, WEATHERZONE, HUFFPOST AUSTRALIA, ALLURE MEDIA, RSVP/OASIS,  
ADZUNA AUSTRALIA, HEALTHSHARE, SKOOLBO, OVER60

- Digital Ventures continues to focus on its strategy of value creation across its portfolio.
- Tenderlink sold in October 2016.
- Gain on sale of Tenderlink of \$6.1m (included in significant items):
  - 2.4x return on investment including dividends.
- Growth in B2B of 12.5% in Weatherzone.
- Allure continues to invest in new sites and capabilities.
- Growth in associate net profit from RSVP / Oasis.
- Stan on a clear path to profitability and expects cash flow breakeven during FY18.

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Advertising	8.5	8.7	(2.8%)
Other	7.4	8.6	(14.3%)
Total Revenue	15.8	17.3	(8.5%)
Associate profit (loss)	1.1	0.3	250.1%
Expenses	(13.1)	(13.1)	(0.0%)
EBITDA	3.8	4.5	(15.8%)
EBIT	3.4	4.1	(17.9%)
EBITDA Margin	23.8%	25.9%	

Note: Digital Ventures businesses are reported as part of the Australian Metro Media segment.

# STAN'S SIGN-UP RUN RATE IS ACCELERATING





# CONTENT EXCLUSIVES DRIVING SUBSCRIPTIONS



Sherlock



Billions



Underground



One Night Stan



Better Call Saul



I'm Dying Up Here

JAN

FEB

MAR

APR

MAY

JUN



Trollied



Imposters



Regular Show



iZombie



Twin Peaks



Preacher

# CONTENT EXCLUSIVES DRIVING SUBSCRIPTIONS



Angie Tribeca



The Last Ship



Power



Younger



Transparent



Ash vs Evil Dead



Mozart In The Jungle



UnREAL



Stan Original



The Girlfriend Experience



Dice



Stan Original



Good Behavior



Purity

# MACQUARIE MEDIA LIMITED

METROPOLITAN RADIO BUSINESS 54.5% OWNED BY FAIRFAX

**2GB**  
87.5AM

**3AW** 693  
NEWS TALK

#1

RADIO  
STATION IN  
SYDNEY

#1

RADIO  
STATION IN  
MELBOURNE

- Revenue improved in Q2 to +3% YOY from -1% YOY in Q1.
- Total metro market industry growth of 1.2% for the six months to December 2016.
- Cost and operational synergies have been implemented.

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Total Revenue	69.6	69.0	1.0%
Expenses	(56.4)	(57.0)	1.0%
EBITDA	13.3	12.0	11.2%
EBIT	11.7	10.7	9.6%
EBITDA Margin	19.1%	17.3%	



MACQUARIE  
MEDIA LIMITED

# CURRENT TRADING ENVIRONMENT & OUTLOOK

GREG HYWOOD, CEO



# CURRENT TRADING ENVIRONMENT & OUTLOOK

- Trading in the first two weeks of February saw revenues around 6% below last year.
- Trading in January saw revenues around 10% below last year in a slower than usual start across the media industry.
- New real estate listings have seen some early signs of improvement in February following the weak FY17 H1 performance.
- Across the Fairfax Group we continue to implement cost savings measures.

# GROUP FINANCIALS

DAVID HOUSEGO, CFO



# GROUP TRADING PERFORMANCE

	Reported 4D FY17 H1	Less Significant items	Trading Performance excluding significant items	Operations Closed / Disposals	Trading Performance for continuing businesses	Trading Performance for continuing businesses
25 December 2016	\$m	\$m	\$m	\$m	FY17 H1 \$m	FY16 H1 \$m
Total revenue	913.0	(10.1)	902.9		902.9	958.1
Associate profits	0.6	-	0.6		0.6	2.7
Expenses	(774.3)	15.9	(758.4)		(758.4)	(799.7)
Operating EBITDA	139.2	5.8	145.1		145.1	161.1
Depreciation and amortisation	(18.3)	-	(18.3)		(18.3)	(34.7)
EBIT	121.0	5.8	126.8		126.8	126.4
Net finance costs	(4.6)	-	(4.6)		(4.6)	(7.0)
Net profit/(loss) before tax	116.4	5.8	122.2		122.2	119.4
Tax (expense)/benefit	(27.2)	(4.7)	(31.9)		(31.9)	(34.1)
Net profit/(loss) after tax	89.2	1.1	90.3		90.3	85.4
Net profit attributable to non-controlling interest	(5.4)	(0.2)	(5.6)		(5.6)	(5.6)
Net profit/(loss) attributable to members of the Company	83.7	1.0	84.7		84.7	79.8
Earnings per share	3.6		3.7		3.7	3.4

# SIGNIFICANT ITEMS

A\$m	FY17 H1	FY16 H1
Impairment of intangibles, investments, and property, plant and equipment	(1.3)	(34.3)
Income tax benefit	0.4	1.8
Impairment of intangibles, investments, and property, plant and equipment, net of tax	(0.9)	(32.5)
Restructuring and redundancy charges	(15.6)	(28.2)
Income tax benefit	4.6	8.3
Restructuring and redundancy, net of tax	(11.0)	(19.9)
Gain on sale of controlled entities and investments	7.4	
Gain on investment at fair value	2.7	
Income tax expense		
Gains on controlled entities and investments, net of tax	10.1	
Other	0.9	
Income tax expense	(0.3)	
Other, net of tax	0.7	
<b>NET SIGNIFICANT ITEMS, NET OF TAX</b>	<b>(1.1)</b>	<b>(52.4)</b>



# CASHFLOW/NET DEBT POSITION

- Proceeds from asset sales and divestments in FY17 H1 mainly from Tenderlink. In FY16 H1, proceeds of \$67m includes the sale of Chullora and Tullamarine printing sites.
- FY17 H1 investment in PP&E and software mainly in Domain and NZ Publishing.

Cash from trading	
Restructure/redundancy payments	
Net finance charges	
Dividends received	
Tax payments	
<b>Net Cash Inflow from operating activities</b>	
Proceeds from asset sales and divestments	
Investment in acquired business/ventures	
Investment in PP&E and software	
Loans (repaid) / advanced	
On-market buy-back	
Dividends paid	
Net other	
<b>Net Cash Outflow from investing and financing activities</b>	
<b>Net Cash In / (Out) Flow</b>	
Net Debt / (Cash) at beginning of period	
<b>Net Debt / (Cash) At End of Period</b>	

	FY17 H1	FY16 H1
	A\$m	A\$m
	127	153
	(20)	(35)
	(6)	(9)
	2	5
	(20)	(35)
	82	80
	30	67
	(7)	(19)
	(53)	(42)
	(20)	(18)
		(74)
	(54)	(52)
	(2)	(0)
	(105)	(138)
	(23)	(58)
	89	(64)
	112	(6)

# FUNDING POSITION

AS AT DECEMBER 2016

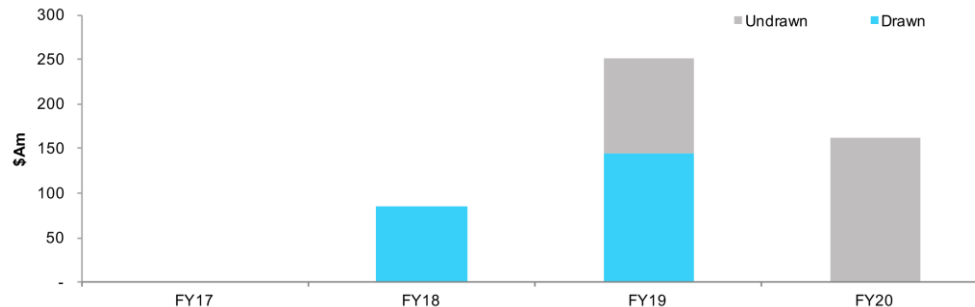
- FY17 H1 includes \$28.6m of net debt from Macquarie Media.

A\$m	Actual Dec 16	Actual Jun 16	Actual Dec 15	Actual Jun 15
Total interest bearing liabilities	244	179	164	283
Debt related derivatives	(13)	(9)	(10)	(5)
Cash and cash equivalents	(118)	(81)	(160)	(343)
<b>Net Debt/ (Cash)</b>	<b>112</b>	<b>89</b>	<b>(6)</b>	<b>(64)</b>
EBITDA (last 12 months)	267	283	291	289
<b>Net Debt / (Cash) to EBITDA</b>	<b>0.4</b>	<b>0.3</b>	<b>(0.0)</b>	<b>(0.2)</b>
Net interest (last 12 months)	9	11	15	16
<b>EBITDA to Net Interest</b>	<b>30.5</b>	<b>25.5</b>	<b>19.9</b>	<b>17.8</b>

# FACILITY MATURITY

AS AT DECEMBER 2016

- Net debt position of \$112m at December 2016.
- Standard & Poor's reviewed Fairfax's BB+ credit rating (stable).



Facilities as at December 2016	Limit	Usage
	\$m	\$m
<b>Non Current</b>		
Bank Revolver Australia	325.0	90.0
Bank Revolver Macquarie Media	50.0	40.8
USPP 2007 series	82.1	82.1
Weatherzone	3.1	3.1
Bank Revolver New Zealand	38.3	14.4
<b>Total</b>	<b>498.5</b>	<b>230.4</b>

# Q & A

# APPENDICES

# APPENDIX 1

## GROUP TRADING PERFORMANCE FY17 H1

	Reported 4D FY17 H1	Less Significant items	Trading Performance excluding significant items	Less Operations Closed / Disposals	Trading Performance for continuing businesses	Trading Performance for continuing businesses
25 December 2016	\$m	\$m	\$m	\$m	FY17 H1 \$m	FY16 H1 \$m
Total revenue	913.0	(10.1)	902.9		902.9	958.1
Associate profits	0.6	-	0.6		0.6	2.7
Expenses	(774.3)	15.9	(758.4)		(758.4)	(799.7)
Operating EBITDA	139.2	5.8	145.1		145.1	161.1
Depreciation and amortisation	(18.3)	-	(18.3)		(18.3)	(34.7)
EBIT	121.0	5.8	126.8		126.8	126.4
Net finance costs	(4.6)	-	(4.6)		(4.6)	(7.0)
Net profit/(loss) before tax	116.4	5.8	122.2		122.2	119.4
Tax (expense)/benefit	(27.2)	(4.7)	(31.9)		(31.9)	(34.1)
Net profit/(loss) after tax	89.2	1.1	90.3		90.3	85.4
Net profit attributable to non-controlling interest	(5.4)	(0.2)	(5.6)		(5.6)	(5.6)
Net profit/(loss) attributable to members of the Company	83.7	1.0	84.7		84.7	79.8
Earnings per share	3.6		3.7		3.7	3.4

# APPENDIX 2

## GROUP TRADING PERFORMANCE FY16 H1

	Reported 4D FY16 H1	Less Significant item	Trading Performance excluding significant items	Less Operations Closed / Disposals	Trading Performance for continuing businesses
27 December 2015	\$m	\$m	\$m	\$m	FY16 H1 \$m
Total revenue	958.1	-	958.1		958.1
Associate profits	2.7		2.7		2.7
Expenses	(862.3)	62.5	(799.7)		(799.7)
Operating EBITDA	98.6	62.5	161.1		161.1
Depreciation and amortisation	(34.7)	-	(34.7)		(34.7)
EBIT	63.9	62.5	126.4		126.4
Net finance costs	(7.0)	-	(7.0)		(7.0)
Net (loss)/profit before tax	56.9	62.5	119.4		119.4
Tax (expense)/benefit	(24.0)	(10.1)	(34.1)		(34.1)
Net profit/(loss) after tax	33.0	52.4	85.4		85.4
Net profit attributable to non-controlling interest	(5.6)		(5.6)		(5.6)
Net profit/(loss) attributable to members of the Company	27.4	52.4	79.8		79.8
Earnings per share	1.2		3.4		3.4

# APPENDIX 3

## PRINTING OPERATIONS

- Change in Australian printing allocation with all printing sites breakeven at EBIT. All profits passed on to business units.

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Total Revenue	117.8	133.2	(11.6%)
Internal Revenue	(95.2)	(103.2)	(7.7%)
Net Revenue	22.6	30.0	(24.7%)
Associate profit (loss)			
Expenses	(17.1)	(18.4)	6.8%
<b>EBITDA</b>	<b>5.5</b>	11.7	(52.8%)
<i>Segment allocation</i>			
<i>Australian Metropolitan Media</i>	2.1	5.9	(64.0%)
<i>Australian Community Media</i>	1.3	3.7	(64.0%)
<i>New Zealand Media</i>	2.1	2.1	(0.5%)
EBITDA	5.5	11.7	(52.7%)
EBIT	2.3	0.3	652.4%
EBITDA Margin	4.7%	8.8%	



# APPENDIX 4

## CORPORATE

- FY16 H1 includes gain on sale associated with closure of Chullora and Tullamarine printing sites.
- Excluding FY16 H1 one-off adjustment, FY17 H1 EBITDA has improved 13%.

Net Revenue
Associate Profit (Loss)
Expenses
EBITDA

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Net Revenue	6.4	8.1	(20.3%)
Associate Profit (Loss)	(0.5)	1.9	(127.8%)
Expenses	(28.1)	(30.9)	9.3%
EBITDA	(22.2)	(20.9)	(5.9%)

# APPENDIX 5

## NON-CONTROLLING INTEREST

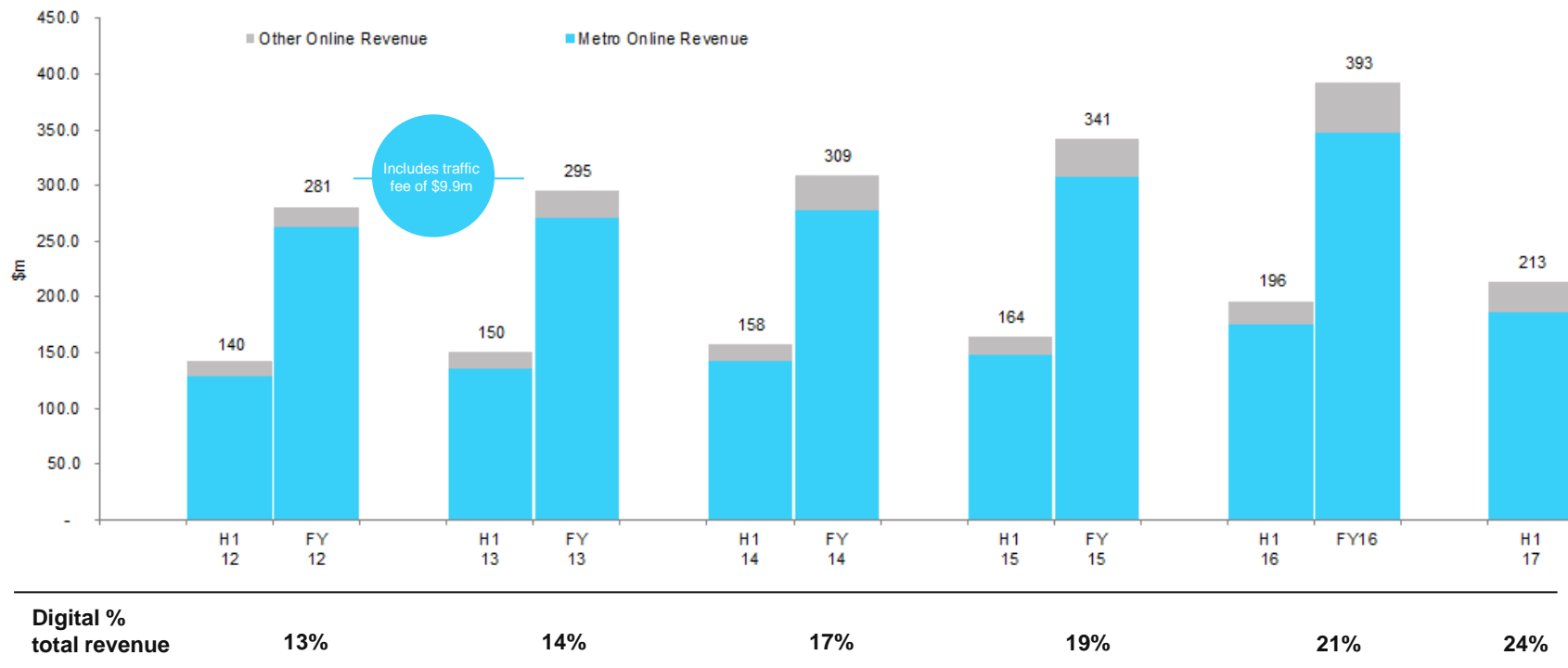
- Other includes Fibre Co (Stuff Fibre) and Weatherzone.

Macquarie Media  
Domain Group  
Other  
Total Non-Controlling Interest

	FY17 H1	FY16 H1	%
	A\$m	A\$m	change
Macquarie Media	(3.5)	(3.0)	(15.0%)
Domain Group	(2.5)	(2.0)	(23.2%)
Other	0.3	(0.5)	161.6%
Total Non-Controlling Interest	(5.6)	(5.6)	(0.9%)

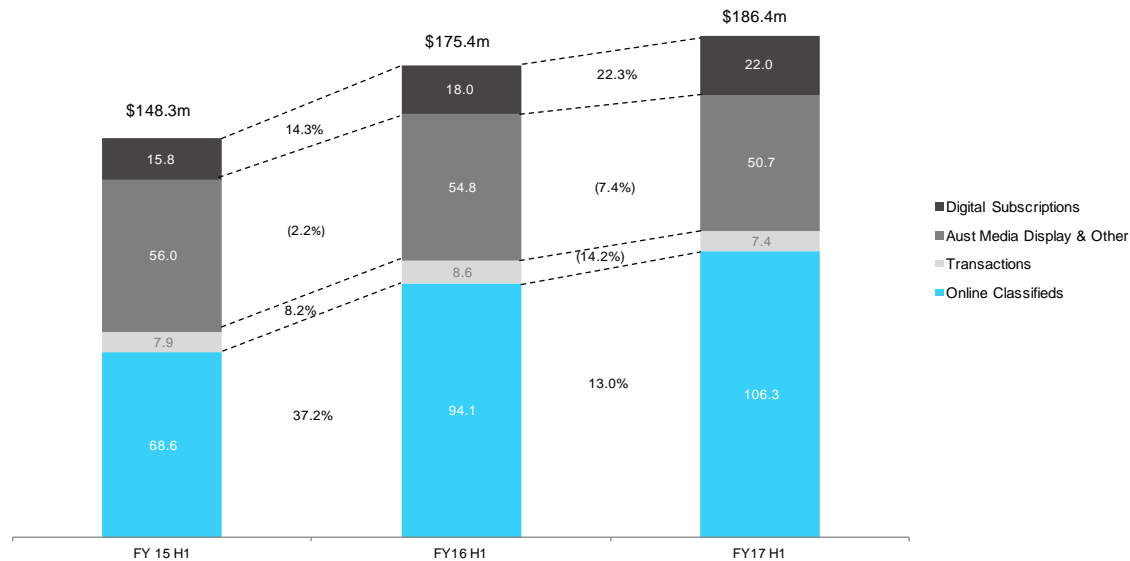
# APPENDIX 6

## GROUP DIGITAL REVENUE



# APPENDIX 7

## DOMAIN AND METROPOLITAN MEDIA DIGITAL REVENUE PROFILE



- **Digital Subscriptions:**  
Includes *The Sydney Morning Herald*, *The Age* and *The Australian Financial Review*.
- **Australian Media Display & Other:**  
Impacted by increased competition and fragmentation and Drive JV revenue not consolidated from FY16 H2. Strong Domain digital display advertising.
- **Transactions:**  
Includes Weatherzone, Allure and Tenderlink (sold in October 2016).
- **Online Classifieds:**  
Includes Domain.

Note: FY16 H1 and FY15 H1 restated for reclassification of Domain revenues from classifieds to display.

# APPENDIX 8

## AUSTRALIANS CONSUMING FAIRFAX CONTENT ACROSS PLATFORMS



11.2m

TOTAL DIGITAL  
AUDIENCE

DIGITAL



6.9m

ACCESS CONTENT ON  
DESKTOP/LAPTOP



5.7m

ACCESS CONTENT  
ON SMARTPHONE



1.9m

REGIONAL WEBSITES



6.1m

PRINT READERS

PRINT



4.1m

READERS OF NATIONAL  
AND METRO NEWSPAPERS



1.8m

READERS OF INSERTED  
MAGAZINES



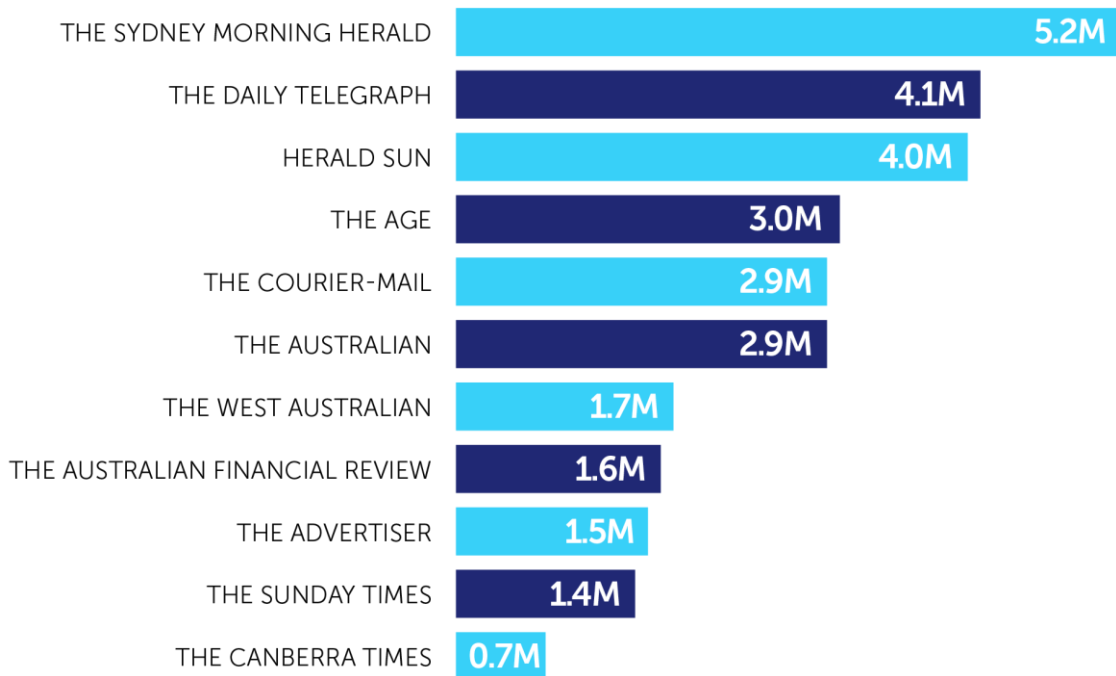
3.0m

READERS OF REGIONAL/  
COMMUNITY NEWSPAPERS

Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending November 2016, Nielsen Digital Ratings (Monthly) November 2016 people 2+ (computer), people 18+ (smartphone/tablet).

# APPENDIX 9

## THE SMH IS NO. 1 IN TOTAL MASTHEAD AUDIENCE



Source: emma™ conducted by Ipsos MediaCT, people 14+ for the 12 months ending November 2016, Nielsen Digital Ratings (Monthly) November 2016 people 2+ (computer), people 18+ (smartphone/tablet).

THANK YOU

