



FP Newspapers Income Fund

2003 Annual Meeting
Rudy Redekop, President
April 29, 2004

FP Newspapers Income Fund

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 any future results, performance or achievements expressed or implied by such forward-looking statements. 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.





FP NEWSPAPERS
INCOME FUND

ANNUAL REPORT 2003

Winnipeg Free Press

BRANDON SUN

“Newspapers with deep roots and long histories, serving their communities.”

***Winnipeg Free Press -
founded 1872***

***Brandon Sun – founded
1882***

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NEWSPAPERS INCOME FUND



Key Strengths

- Well established brands
- Strong community leadership
- Solid and recurring performance record
- Continuing to build on success



2003 Highlights

- Strengthening leadership team
- Further enhancement in content
- Revenue growth



Stronger Team

- Murdoch Davis - New Publisher in Winnipeg



Stronger Team

- Dean Lytle and Laurie Finley - New Circulation leaders



Stronger Team

- Ewan Pow - New Publisher in Brandon



Stronger Team

- Dian Trinkaus - New Employee Relations Manager



Editorial Enhancements

- New feature section Saturdays
- Colour front for Entertainment Sundays
- Revamped Perspective/Books section Sundays
- Weekly Faces pages Sundays
- Refocused local and regional news, with emphasis on community news, names, faces (weekly Volunteers column, weekly “people and places” column)



Entertainment Sunday/Books

- Added entertainment colour front
- Enhanced Perspective section



Faces

Faces



CRAFTS cornucopia

S CRAFT Fairs trade fair, is holding its 3rd annual Spring Craft Show and Fair at Kesteven House in Windsor.

The organization is owned and operated by thousands of crafters who appreciate Canada's fine and creative and hand-made goods.

The weekend's show, which wraps up today from 10 a.m. to 5 p.m., features an array of crafts, as well as a variety of other activities.

Spring Craft Show will be held from Oct. 15-17 at the house.

PHOTOGRAPHS BY
BETHA ALEXANDER, GILIAN GREENIN
& KAREN LANGWELL



Betha Alexander works at a booth at the fair.



Gilian Greenin works at a booth at the fair.



Karen Langwell works at a booth at the fair.



Betha Alexander works at a booth at the fair.



Gilian Greenin works at a booth at the fair.



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Editorial Recognition

- Reporter Dan Lett: Citation of Merit for Michener Awards
- Nomination for National Newspaper Award in the Investigations category



Manitoba Newspaper Operations

(in millions of dollars)

	<u>2003</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenues	\$100	\$95	\$97	\$98	\$96
EBITDA	\$ 24	\$22	\$23	\$25	\$24

* Figures for 2002 include the negative impact of the loss of nine publishing days due to a strike at the Winnipeg Free Press.



Advertising Performance - 2003

Growth:

- Automotive category continued growth in 2003.
- Travel advertising rebounded after a very soft 2002.
- Insert distribution revenue and colour revenues were up

Softness:

- Employment advertising was lower but decline not as steep as prior year
- Movie theatre advertising declined in a year of few major releases



Q1 2004

FP Canadian Newspapers Limited Partnership

		<u>2004</u>	<u>2003</u>
Revenue	+2.7%	\$24.4	\$23.7
EBITDA	+3.5%	\$ 5.4	\$ 5.2
EBITDA Margin		22.1%	22.0%

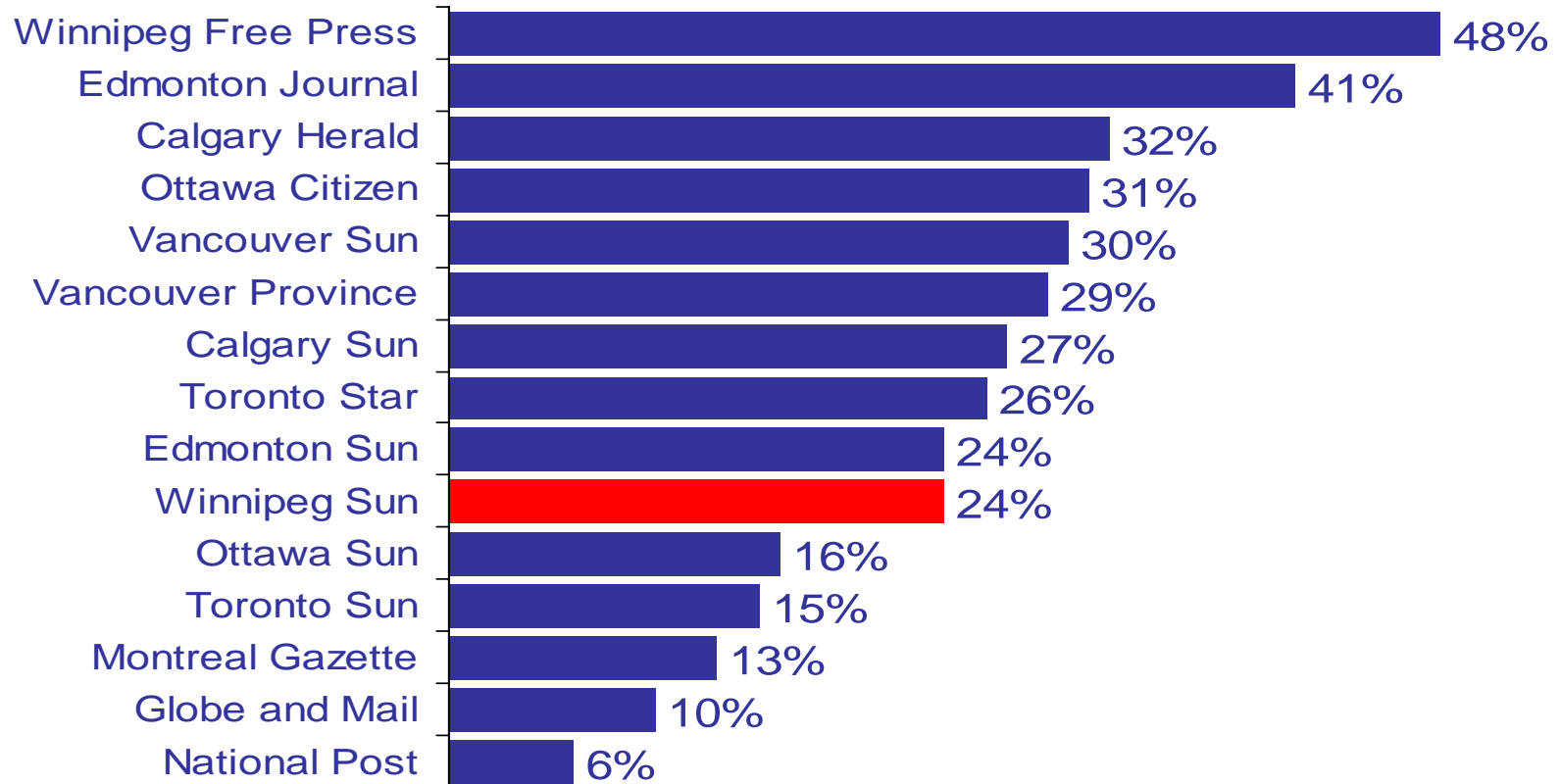


Q1 2004 Highlights

- Ad revenue up 1.7%
- Circulation revenue up 2.1%
- Commercial printing revenue up 11.1%
 - National Post printing commenced March 15, 2004
 - New Brandon work added in 2003
- Labour costs up 4.9%
 - Approximately 2% of increase unique to first quarter
- Newsprint costs flat



Weekday Readership in Canada



Readership % 2002-2003 in Winnipeg

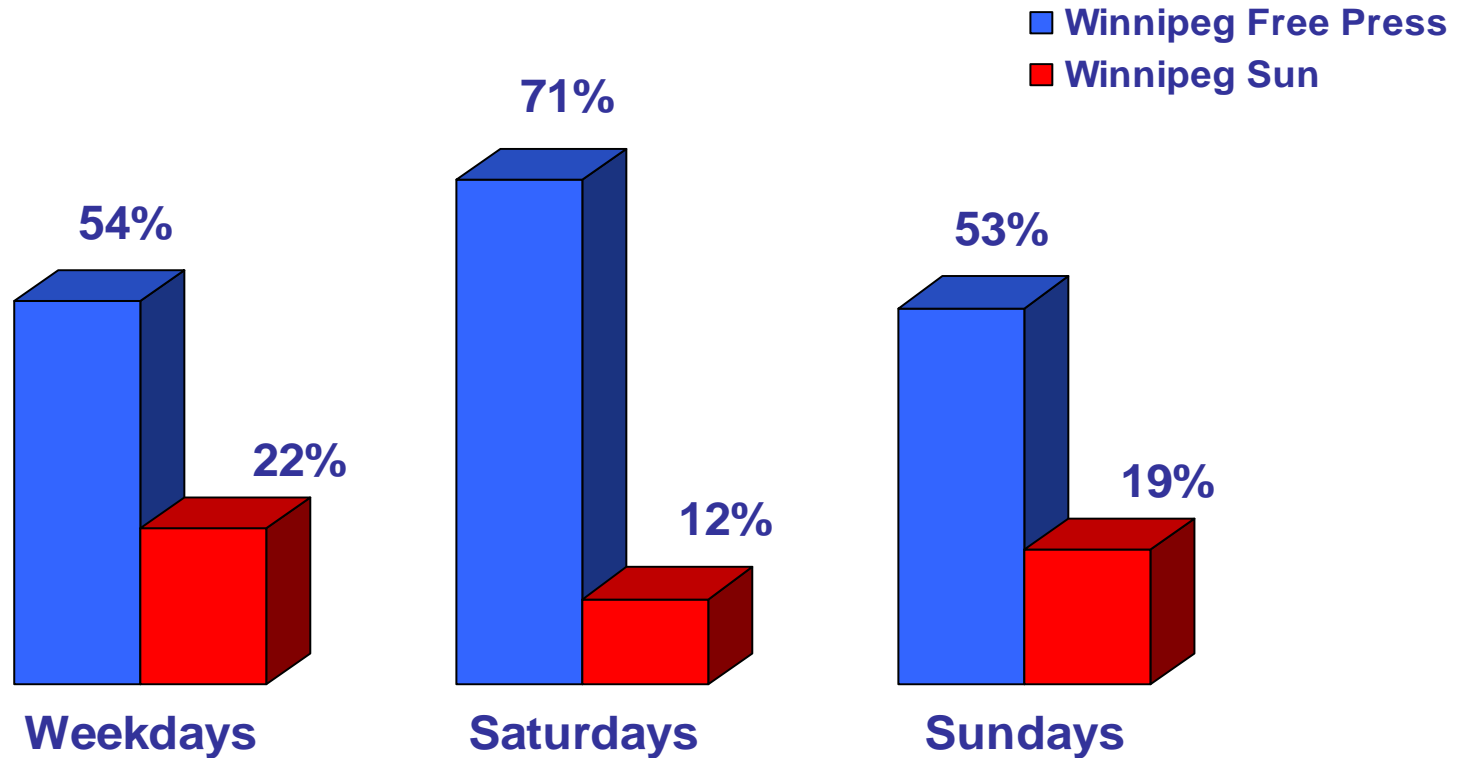
Sources: 2002, 2003 NADbank surveys

	<u>2003</u>	<u>2002</u>
<u>Weekdays</u>		
Free Press	48	44
Sun	24	25
<u>Saturdays</u>		
Free Press	63	58
Sun	18	22
<u>Sundays</u>		
Free Press	47	44
Sun	20	22



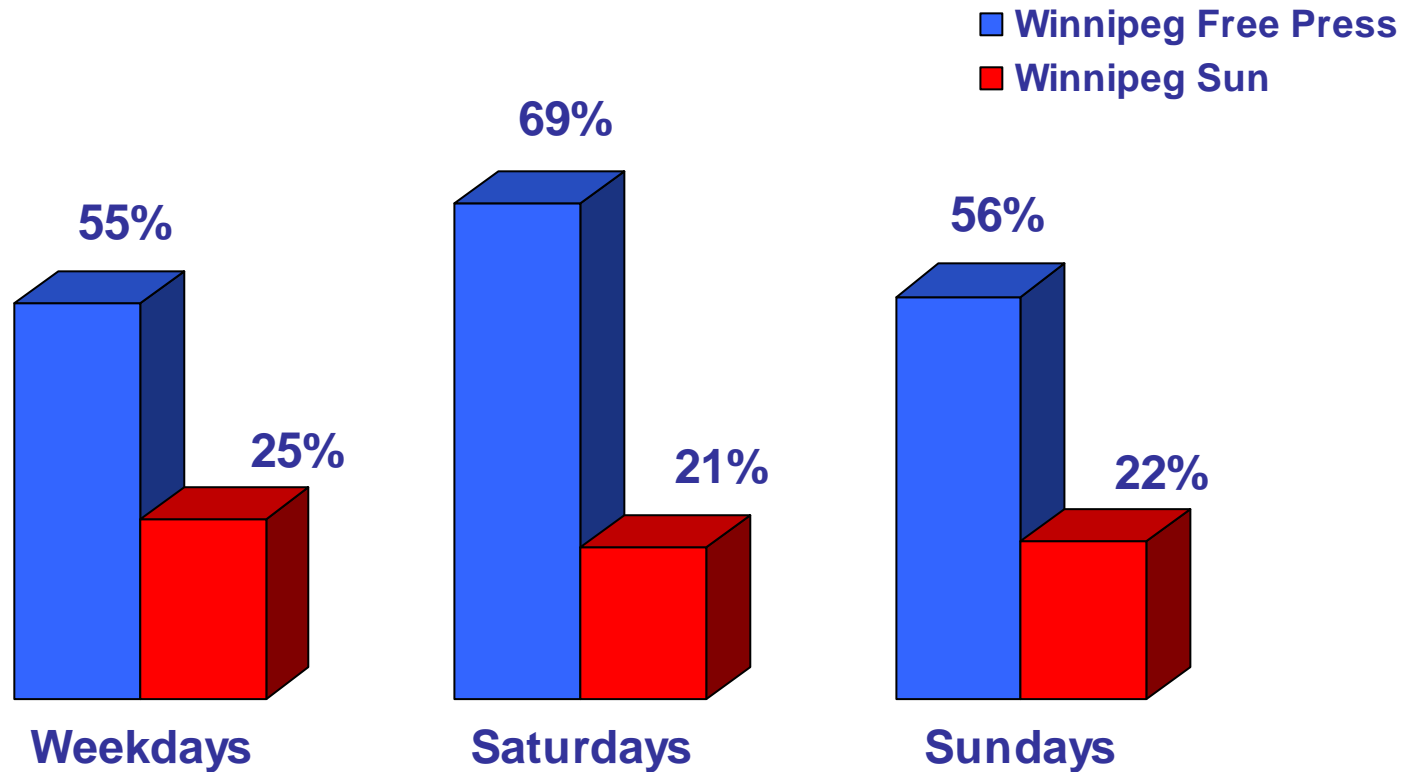
Winnipeg newspaper readership among university graduates

Source: 2003 NADbank survey Base: Winnipeg CMA adults 18+



Winnipeg newspaper readership among adults with household incomes of \$75,000+

Source: 2003 NADbank survey Base: Winnipeg CMA adults 18+

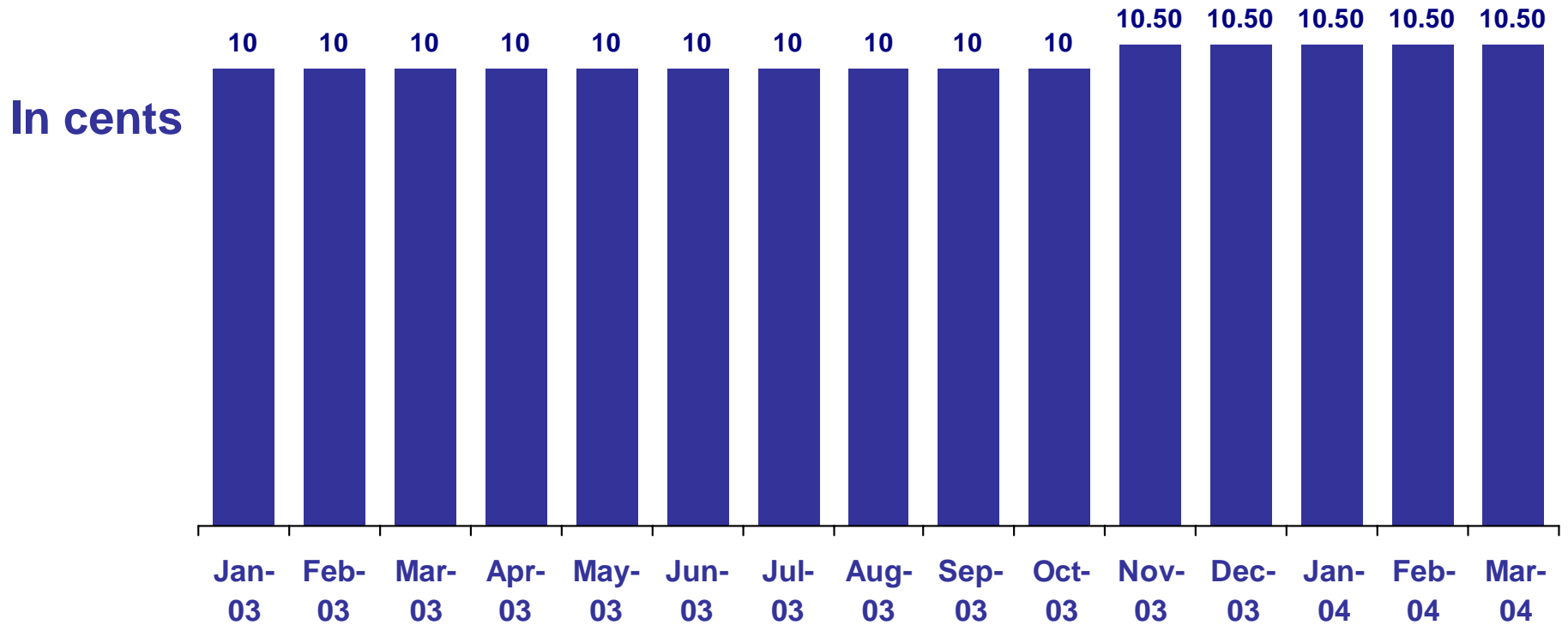


Distributable Cash

	Three months ended Mar. 31, 2004	Three months ended Mar. 31, 2003	Period from May 28, 2002 to Mar. 31, 2004
49% of distributable cash of FPLP	\$2,173	\$2,206	\$17,334
Loan from related parties	-	190	-
Administrative expenses	(60)	(63)	(479)
Interest Income	<u>2</u>	<u>-</u>	<u>4</u>
	\$2,115	\$2,333	\$16,859
Distributable cash attributable to the Fund – per unit	\$.306	\$.338	\$2.442
Distributable cash declared by the Fund - per unit	\$.315	\$.300	\$2.290



Distributions - 2003



Advertising Outlook

- Cautiously optimistic
- Automotive category dependent on an upswing in consumer purchasing
- Risk exists on further movement from traditional display to insert flyer advertising
- Classified growth has been strong year to date



Expense Outlook

- Wage rates will increase by 2.1% in 2004 vs. 2003; overall employee costs will rise approximately 3%
- Newsprint prices are forecast to increase moderately in 2004
- A 5% year-on-year increase in newsprint prices would decrease EBITDA by \$0.7 million compared to 2003





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