



FP Newspapers Income Fund

2006 Annual Meeting

May 9, 2007

TSX: FP.UN

FP NEWSPAPERS

INCOME FUND

ANNUAL MEETING 2007

Formal Meeting

Annual General Meeting

- Introduction
- Quorum
- Resolutions



FP Newspapers Income Fund

2006 Annual Meeting

Ronald N. Stern, Chairman

May 9, 2007

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 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.



Contents:

- ***Summary***
- ***Approach***
- ***Year in Review***
- ***Q1 Review***
- ***Outlook***



Summary

- FP.UN holds 49% of FPLP
- IPO May 2002
- 6.9 million Units issued
- Distributing \$1.29 per year
- Total return at 12/31/06 - \$17.51

Operations:

- 2 daily newspapers
- 7 community and specialty
- Distribution and websites

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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 brands
 - Long term outlook; prudent distribution policy
 - Investment discipline – seek sustainable increase in distributable cash

2006 Year in Review

FP Canadian Newspapers

- Revenue grew 4.5% to \$122 million
 - Led by Classified and Flyer Distribution
- EBITDA increased \$1.4 million or 5.8%
- Distributions held steady at \$1.29
 - 90% pay-out ratio for 2006

2006 Year in Review

Winnipeg Free Press

- Continued to build on dominant market position
- Transformation teams pursuing continuous improvement across the business
- Redevelopment of all existing websites
- Development of new specialty websites

2006 Year in Review

Winnipeg Free Press | What's on Winnipeg | wfpStuff | wfpCelebrations | wfpPassages | wfpExtra | Mike on Crime

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MUSIC



Singer-activist Baez says she doesn't know why she was banned at Walter Reed

ARTS



Author Chuck Palahniuk to appear at MITC
 Johnston sets record with four trophies

MOVIES



AWAY FROM HER: Polley's directorial debut is moving, poignant, beautiful
 Video Report: 'Civic Duty' stars Peter

TV



Today on TV / Video Report
 Ellen DeGeneres' hosts show from a hospital bed

FOOD&DRINK



RECIPE SWAP: Eureka! They found the Boston cream pie!
 Swap readers come hands with recipe

EVENTS



Tonight: World of Beer
 Garden Patch
 Friday: Barrymores play final show

2006 Year in Review

Website Development



Articles | Books | Contact | Mailing List

Winnipeg Free Press

3 years in Cuban spying case | Foster dad gets 15 to life for toddler's death in closet | Victim says she's glad HIV-positive former CFLer

Email Mike

MIKE'S BLOG
ON WINNIPEGFREEPRESS.COM

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National Crime News
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Voice of the Victims
Winnipeg's Hot Cars of the Day

LINKS
Great Plains Publications
Winnipeg Free Press
Peter Warren
Charles Adler

FEATURE PHOTO

"It's Clay, and I've been kidnapped" - Family describes safety pin escape as manhunt continues

FEATURE ARTICLE

Woman accused of using infant as car down payment

Wed Feb 28, 00:02 - Mike McIntyre
PUEBLO, Colorado (AP) — Three people were arrested on charges of swapping a 5-month-old boy for a down payment on a used Dodge Intrepid and cash, police said Tuesday.
Nicole Urbe, 23, is accused of trading the baby to Jose-Juan Lerma, 47, and his wife, Irene, 27, in exchange for...
continued»

ADDITIONAL ARTICLES

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 Next

Tue Feb 27, 22:50	Professor gets 5 years in Cuban spying case
Tue Feb 27, 21:48	Foster dad gets 15 to life for toddler's death in closet
Tue Feb 27, 18:29	Victim says she's glad HIV-positive former CFLer has been stopped
Tue Feb 27, 16:51	Elderly Edmonton man charged with murdering wife in Hawaii
Tue Feb 27, 16:46	"It's Clay, and I've been kidnapped" - Family describes safety pin escape as manhunt continues
Tue Feb 27, 15:20	Pig with same butcher marks as women found on Pickton farm, jury hears
Tue Feb 27, 14:25	Man accused in sex-slaying of Alberta girl says he fell in with bad company
Tue Feb 27, 13:51	Murder charges stayed against suspects in 1990 slayings of couple near Ottawa
Tue Feb 27, 12:59	Missouri university campus closed after student claims to have bomb, anthrax
Tue Feb 27, 11:48	Calgary woman charged with murder in the death of 14-year-old daughter
Tue Feb 27, 11:29	U.S. mother who coached 2 children to fake mental disabilities pleads guilty
Tue Feb 27, 10:56	Newfoundland man accused of drowning twin girls made false confession,

2006 Year in Review

Brandon Sun

- Improved economy in the Western Manitoba region
- Stabilizing circulation is a priority
- Integrated former Canstar distribution force

2006 Year in Review

Website Re-development



2006 Year in Review

Canstar Community News Limited

- Financial performance below expectations
- New general manager appointed in January 2007
- Re-design of print and electronic publishing

2006 Year in Review

Canstar Re-design



CAFE CON MUSICA
Local singer goes to Mexico to do charity work, sing, and drink coffee.
PAGE 22



ROME DIDN'T FLOOD IN A DAY
Visiting professor tells audience the floods of ancient Rome can provide lessons to Winnipeg.
PAGE 3

the **metro**

OUT OF AFRICA
Researcher receives Order of Canada
PAGE 12

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THURSDAY MARCH 15 2007

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Pay it forward? No, just fairly

BY JAMES TURNER
STAFF REPORTER

A number of Manitoba business leaders have banded together hoping to axe provincial school taxes from property tax bills.

For more than a year and a half, organizations such as the Winnipeg Chamber of Commerce and the Manitoba Real Estate Association (MBREA) have been working toward making school taxes a top-of-mind issue for property owners.

With a provincial election looming, and school taxes expected to rise as next year's school division budgets are finalized, people behind the axe-the-tax are mobilizing support and getting their message out.

"We're seeing the point where homeowners in the Winnipeg School Division are paying more for education than all other civic services combined," says Lorne Weisz, a Winnipeg realtor and chair of the Manitoba Political Action Committee.

WSD is asking for a 2.3 per cent raise in taxes for the 2007-08 school year, and other school divisions are seeking similar increases. Seven Oaks School Division is asking for a 1.17 per cent hike.

Weisz, who is also a spokesperson for Let's Pay Fair – the moniker of the group spearheading the tax-killing initiative – says the model of taxing property to pay for schools is outdated.



See CURRENT on page 4

Lorne Weisz and his Let's Pay Fair associates went to send a message to the Province about taxing homeowners to pay for education.



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2006 Year in Review

Canstar Re-design

Free every Thursday www.uptownmag.com March 15, 2007

Street Beat gives you the lowdown on
Winnipeg's own band of brothers /12

UPTOWN

Olé!

Theatre Flamenco Dance debuts *The Women* /5



Now you can carbon offset with WestJet /7

Film Group screens influential local shorts /30

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2006 Year in Review

FP Canadian Newspapers Limited Partnership

(in millions of dollars)

	2006	2005	2004	2003
Revenue	\$122.2	\$116.9	\$111.2	\$105.1
EBITDA	\$25.5	\$24.1	\$24.3	\$24.3
(in dollars)				
Distributable cash per unit	\$1.43	\$1.35	\$1.42	\$1.38
Distributions declared per unit	\$1.29	\$1.29	\$1.27	\$1.21

Q1 – 2007 Review

FP Canadian Newspapers Limited Partnership

- Strong 4.4% Revenue growth
 - Growth in print and on-line advertising and circulation revenue
- Cost growth contained

Q1 – 2007 Review

FP Canadian Newspapers Limited Partnership

(in millions of dollars)		<u>2007</u>	<u>2006</u>
Revenue	+ 4.4%	\$29.8	\$28.6
EBITDA	+20.9%	\$ 5.7	\$ 4.7
EBITDA Margin		19.2%	16.6%

Q1 – 2007 Review

(in thousands of dollars)	Last Twelve Months	Period from May 28, 2002 to Mar. 31, 2007
49% of distributable cash of FPLP	\$10,604	\$47,096
Administrative expenses	(305)	(1,302)
Interest Income	<u>5</u>	<u>25</u>
	\$10,304	\$45,819
Distributable cash attributable to the Fund – per unit	\$1,493	\$6,638
Distributable cash declared by the Fund – per unit	\$1,290	\$6,143
Payout ratio	86.4%	92.5%

Q1 2007 Operations

- Additional Saturday publishing day
- Increased volume of flyers
- Lower automotive advertising
- Classified growth up \$.3 million or 8.3%
- Flyers up \$.2 million or 5.3%
- Strong employment category in the quarter
- Operating expenses, excluding amortization, up 1.1%

Audit Bureau of Circulations

6 Months Ended March 31, 2007

Total Paid Circulation

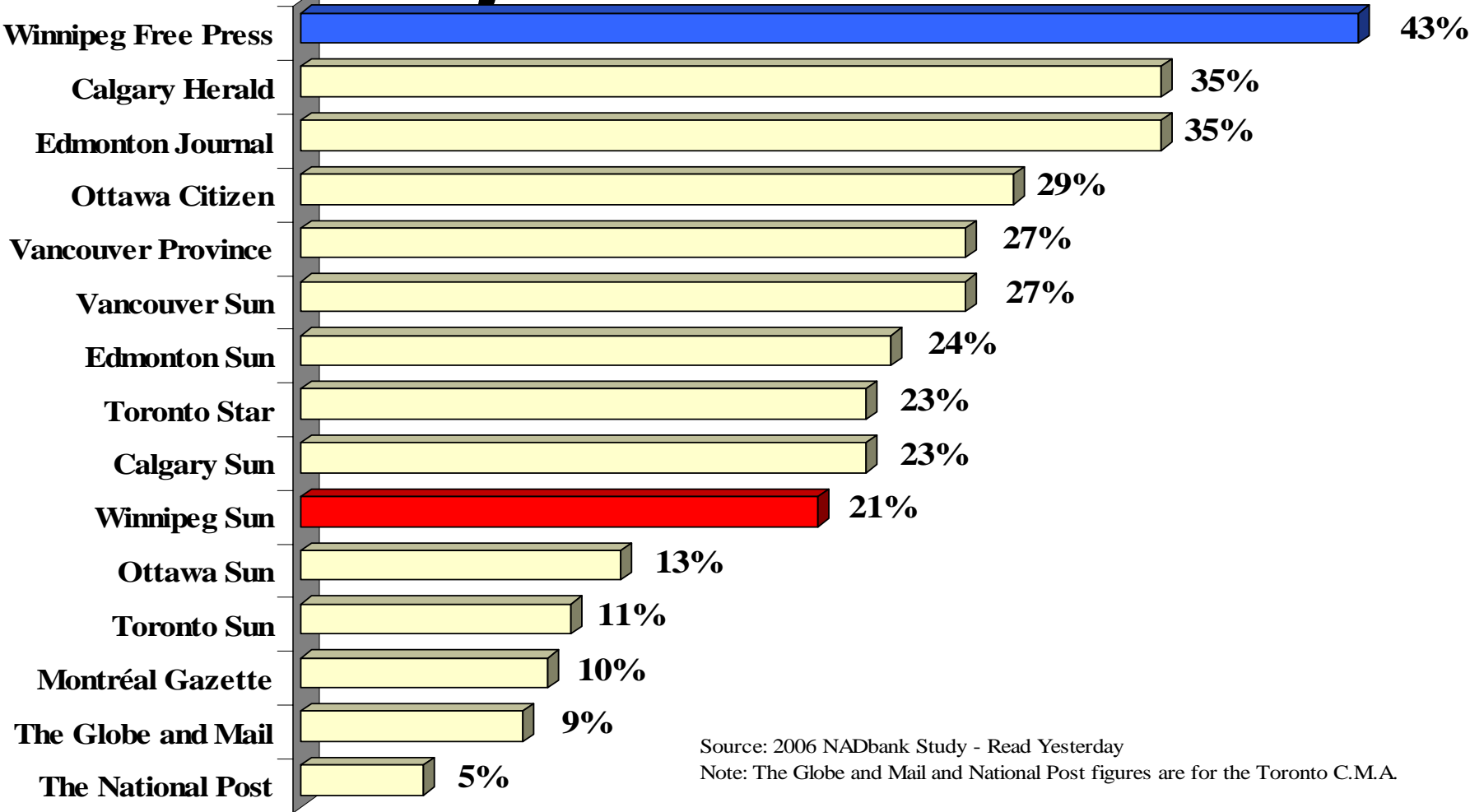
	<u>Mon-Fri</u>	<u>Saturday</u>	<u>Sunday</u>
Winnipeg Free Press	+ 1.6%	+0.3%	+ 3.2%
Winnipeg Sun	- 3.3%	- 9.5%	- 4.3%

Winnipeg Newspaper Readership Among Adults

	<u>2006</u>	<u>2002</u>
<u>Weekdays</u>		
Winnipeg Free Press	43%	44%
Winnipeg Sun	21%	25%
<u>Saturday</u>		
Winnipeg Free Press	56%	58%
Winnipeg Sun	18%	22%
<u>Sunday</u>		
Winnipeg Free Press	40%	44%
Winnipeg Sun	17%	22%

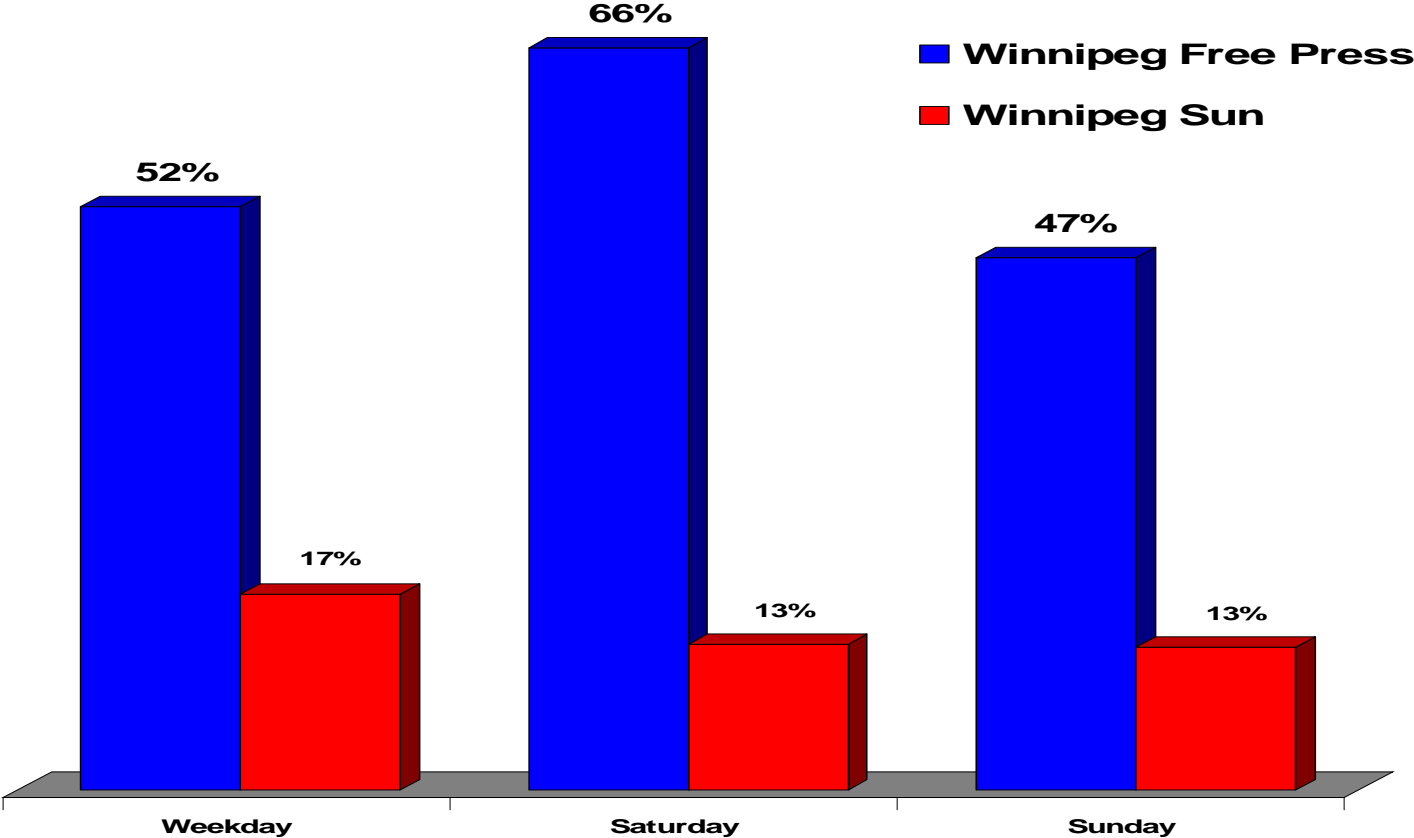
Source: 2006 NADbank Study, 2002 NADbank Study – All Adults 18+

Weekday Readership of Daily Newspapers in Major Canadian Cities



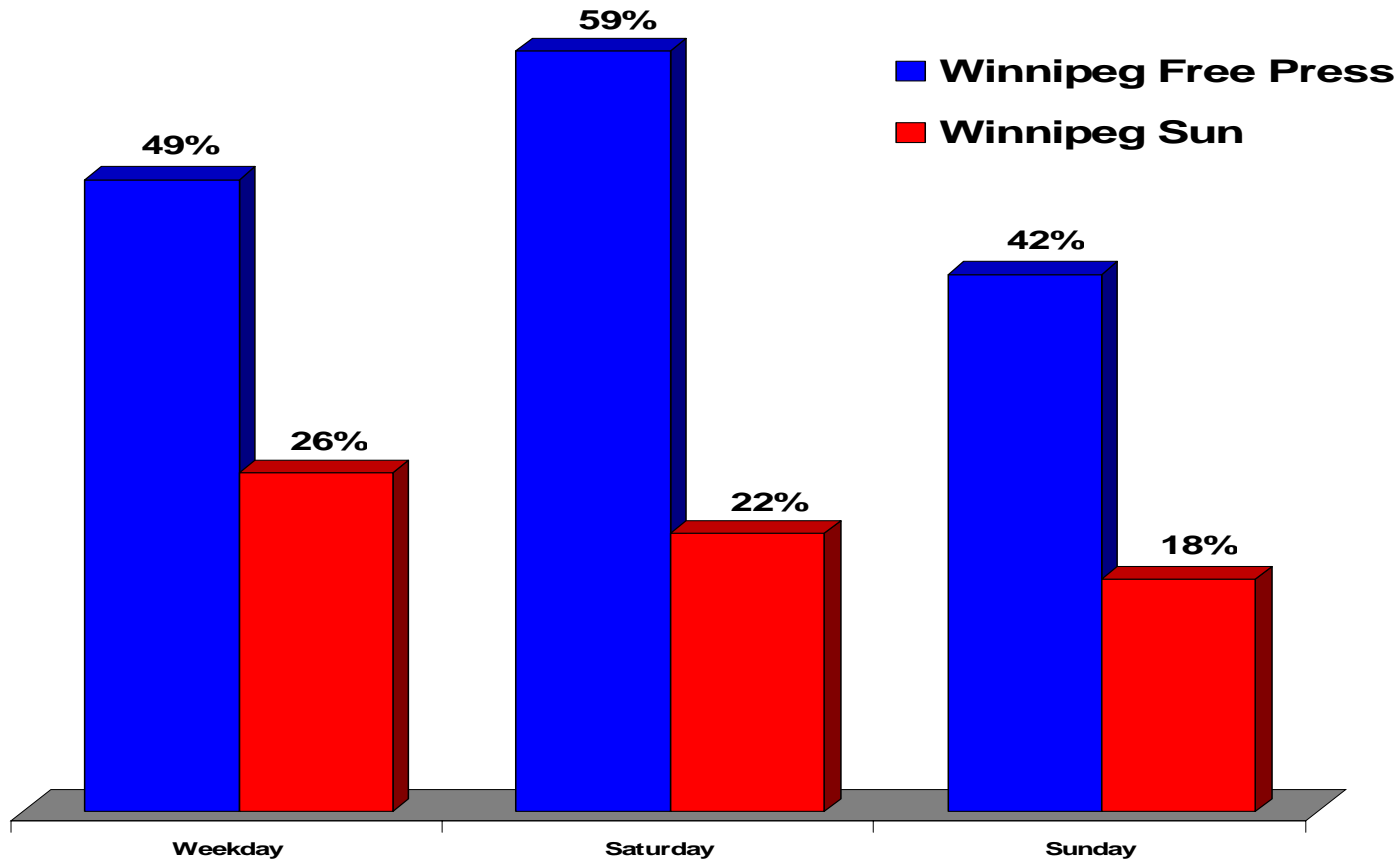
Source: 2006 NADbank Study - Read Yesterday
 Note: The Globe and Mail and National Post figures are for the Toronto C.M.A.

Winnipeg Newspaper Readership Among University Graduates



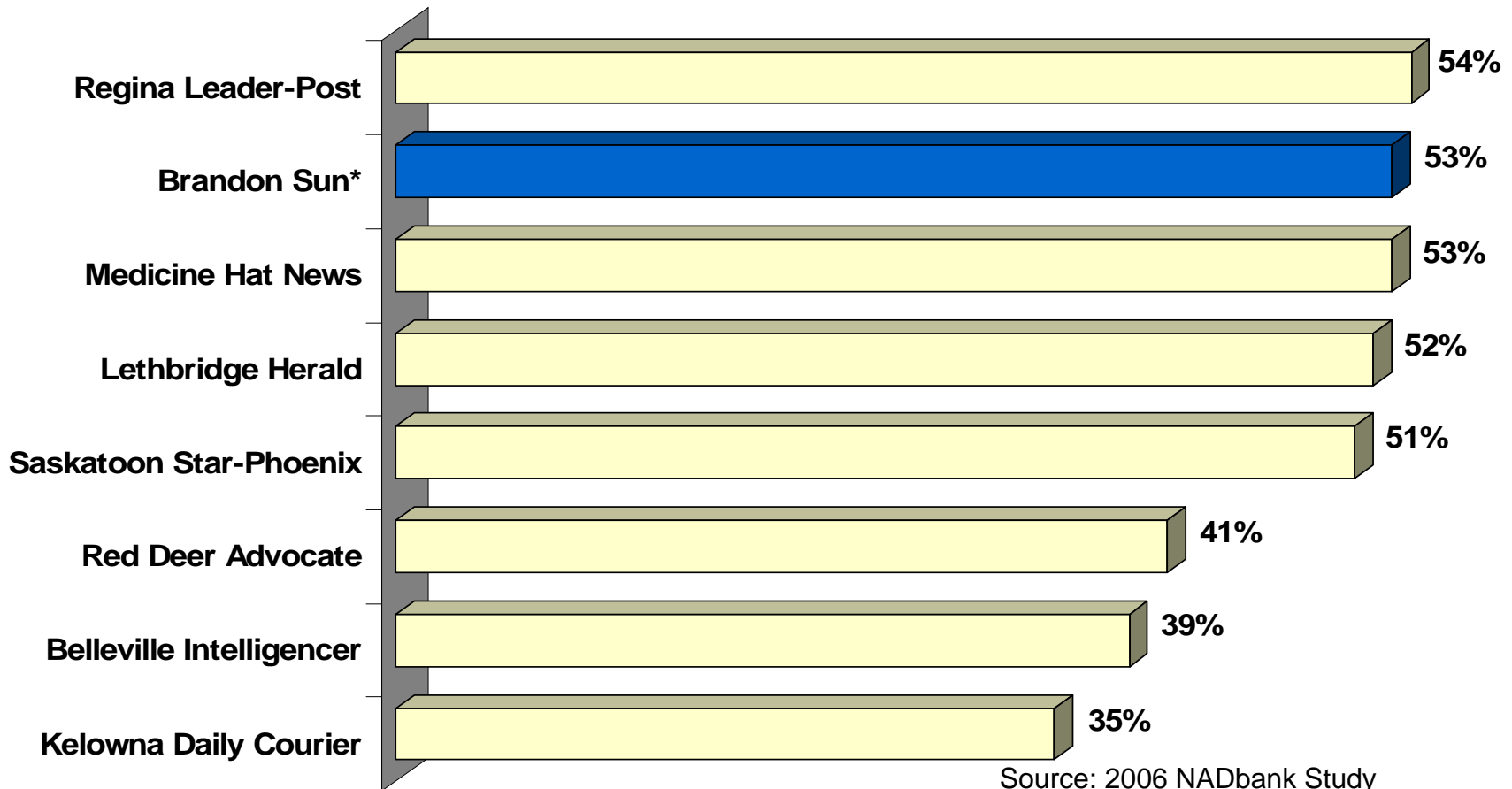
Source: 2006 NADbank Study

Winnipeg Newspaper Readership Among Adults With Household Income \$75,000+



Source: 2006 NADbank Study

Weekday Newspaper Readership of Medium-Sized Canadian Newspapers



Source: 2006 NADbank Study

*Brandon Sun Figure from 2004 NADbank Study

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Advertising Outlook

- Winnipeg and Manitoba economies strong in early 2007
- Low un-employment may continue to support employment advertising
- Automotive category variable by brand
- Telecommunications category may improve as year progresses if market share battles materialize

Expense and Capital Outlook

- Compensation costs expected to rise 3-4% for the year
- Newsprint price decreased January 1st and is now fixed for the full year
- The 2007 capital spending plan calls for \$2.4 million in spending
 - \$0.4 million expected to be funded from maintenance capital reserve

BREAKING NEWS

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