FP Newspapers Inc.

Third Quarter
September 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
Third Quarter
September 30, 2018

November 29, 2018

OVERVIEW

Management's discussion and analysis, prepared as at November 29, 2018, provides a review of significant developments that affected the performance of FP Newspapers Inc. ("FPI") in the three months ended September 30, 2018. This review is based on financial information contained in the unaudited interim condensed financial statements and accompanying notes ("interim financial statements") for the three and nine months ended September 30, 2018.

Factors that could affect future operations are also discussed. These factors may be affected by known and unknown risks and uncertainties that may cause the actual future results to be materially different from those expressed in this discussion.

The interim financial statements, which are the basis for data presented in this report, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34. The interim financial statements do not include all the information and disclosures required for annual financial statements and, therefore, the following information should be read in conjunction with the most recent audited consolidated financial statements and accompanying notes and management's discussion and analysis for the year ended December 30, 2017 prepared in accordance with IFRS and with the interim unaudited condensed financial statements and accompanying notes for the third quarter of 2018.

This Management's Discussion and Analysis contains "forward-looking statements" that are subject to risks and uncertainties set out below under the heading "Caution Regarding Forward-Looking Statements". The reader is cautioned not to place undue reliance on forward-looking statements.

Further information relating to FPI is available at www.sedar.com or on FPI's website at www.fpnewspapers.com.

FORMATION AND LEGAL ENTITIES

FPI, which was incorporated under the Canada Business Corporations Act on March 17, 2010, is the successor to the business of FP Newspapers Income Fund (the "Fund"). The Fund was created on May 15, 2002 and commenced operations on May 28, 2002 when it completed an initial public offering and purchased an interest in FP Canadian Newspapers Limited Partnership ("FPLP").

On December 31, 2010, the Fund completed its conversion from an income trust to a corporate structure pursuant to a plan of arrangement. Under the plan of arrangement, Unitholders of the Fund received, for each Unit of the Fund held, one common share of the resulting public corporation, FPI. The common shares of FPI commenced trading on the Toronto Stock Exchange on January 7, 2011 under the symbol "FP". Concurrently, the Fund's Units were delisted. Effective at the close of market on November 21, 2016 the Company delisted from trading on the Toronto Stock exchange and effective at the opening November 22, 2016, the common shares of FPI commenced trading on TSX Venture Exchange.

FPLP is a limited partnership formed on August 9, 1999. Effective November 29, 2001, FPLP acquired the business assets and assumed certain liabilities of the Winnipeg Free Press and the Brandon Sun. On July 13, 2004, FPLP acquired the business assets and liabilities of Canstar Community News ("Canstar"). On February 28, 2011, FPLP acquired the business assets and assumed certain liabilities of a commercial printing and publishing business operating under the name Derksen Printers based in Steinbach, Manitoba. On October 26, 2012 FPLP acquired substantially all of the assets and assumed certain liabilities of the Carberry News-Express, a weekly paid subscription publication.

FP NEWSPAPERS INC.

A summary of FPI's quarterly revenue, net earnings and net earnings per share for 2018, 2017 and 2016 is as follows:

	2018	2017	2016
	In thousands of dollars (except per share amounts)		
Revenue			
Quarter 1	$ (53)	$ 305	$ 391
Quarter 2	435	802	740
Quarter 3	65	150	196
Quarter 4		590	1,051
Net earnings (loss)			
Quarter 1	$ (84)	$ 186	$ 250
Quarter 2(*)	(2,463)	566	(5,683)
Quarter 3	22	71	90
Quarter 4(*)		(2,523)	(4,148)
Net earnings (loss) per share			
Quarter 1	$ (0.012)	$ 0.027	$ 0.036
Quarter 2(*)	(0.357)	0.082	(0.823)
Quarter 3	0.003	0.010	0.013
Quarter 4(*)		(0.365)	(0.601)

(*) A non-cash write-down of $3.1 million was recorded in the second quarter of 2018 and a non-cash write-down of $2.9 million was recorded in the fourth quarter of 2017. A non-cash write-down of $6.2 million was recorded in the second quarter of 2016 and a non-cash write-down of $4.9 million was recorded in the fourth quarter of 2016. These write-downs were based on FPI's determination that its 49% equity investment in FPLP was impaired, primarily due to continued declines in revenue and earnings experienced by FPLP.

FPI reported net earnings of less than $0.1 million for the three months ended September 30, 2018 and September 30, 2017. The small decrease in net earnings is primarily due to a decrease in the equity share of the net earnings of FPLP with details of this decrease disclosed in the FPLP section of this report. Other comprehensive earnings for the three months ended September 30, 2018 was $0.3 million unchanged from the third quarter of 2017. Other comprehensive earnings results from FPI's equity share of FPLP's recognition of remeasurements gains or losses related to the defined benefit pension plan.

As at November 29, 2018, FPI had 6,902,592 shares outstanding.

FP CANADIAN NEWSPAPERS LIMITED PARTNERSHIP

Results of Operations

FPLP's revenue for the three months ended September 30, 2018 was $15.9 million, a decrease of $1.0 million or 5.7% from the same three months in the prior year. FPLP's print advertising revenues for the three months ended September 30, 2018 were $8.3 million, a $0.7 million or 7.8% decrease compared to the same period last year. FPLP's largest advertising revenue category, display advertising including colour, was $4.2 million, a decrease of $0.4 million or 9.0% from the same period in the prior year, primarily due to decreased spending in the local and national automotive and government categories. Classified advertising revenues for the third quarter decreased 2.5% compared to the same period last year, primarily due to lower spending in the real estate and employment categories, partly offset by increased spending in the obituary category. Flyer distribution revenues decreased by $0.2 million or 8.6% compared to the third quarter in 2017, primarily due to a decrease in flyer volumes.

Circulation revenues for the three months ended September 30, 2018 were slightly higher than the third quarter of 2017, with increased revenue from higher print subscription rates and new digital subscription revenues from the Winnipeg Free Press website, partially offset by lower unit sales. Commercial services revenue decreased by $0.2 million primarily due to the loss of the Metro printing contract, as well as both fewer page counts printed for recurring customers.

FPLP's revenue for the nine months ended September 30, 2018 was $49.4 million, a decrease of $4.5 million or 8.4% from the same period in the prior year. Print advertising revenues for the nine months ended September 2018 were $26.8 million, a $3.3 million or 11.1% decrease compared to the same period last year. FPLP's largest advertising revenue category, display advertising including colour, was $14.0 million, a decrease of $2.6 million or 15.5% from the same period in the prior year, primarily due to decreased spending in the local and national automotive, government services, financial, retail and telecommunication categories. Classified advertising revenues for the nine months ended September 30, 2018 decreased by $0.1 million or 1.8% compared to the same period last year, primarily due to lower spending in the real estate and employment categories, partly offset by increased spending in the obituary category. Flyer distribution revenues decreased by $0.7 million or 7.9% compared to the first nine months of 2017, primarily due to a decrease in flyer volumes, partly offset by slightly higher rates.

For the nine months ended September 2018, circulation revenues were $18.2 million, a decrease of $0.2 million or 1.1% from the same period of 2017, with lower print unit sales offset by increased revenue from higher print subscription rates and new digital subscription revenues from the Winnipeg Free Press website. Digital advertising revenues for the first nine months of 2018 decreased by $0.1 million or 6.8%, primarily due to lower on-line web ads revenue. Commercial services revenues decreased by $0.8 million, primarily due to the loss of the Metro printing contract.

Operating expenses for the three months ended September 30, 2018 were $15.5 million, a decrease of $0.8 million or 4.7% compared to the same quarter last year. Employee compensation costs for the third quarter decreased by $0.4 million or 4.8% from the same period in the prior year, primarily due to voluntary resignations and retirements not replaced. Newsprint expense for FPLP's own publications remained at relatively the same level compared to the prior year. Newsprint expense for commercial use decreased by $0.1 million, due primarily to lower volumes from the loss of the Metro contract. Delivery expenses for the three months ended September 30, 2018 decreased by $0.3 million or 7.9%, primarily due to the cost savings related to the initiatives implemented to improve delivery route efficiency in addition to fewer printed copies being delivered.

Operating expenses for the nine months ended September 30, 2018 were $47.7 million, a decrease of $2.8 million or 5.5% compared to the same period last year. Employee compensation costs for the nine months decreased by $0.9 million or 3.9% from the same period in the prior year, primarily due to a reduction in the number of employees across all of our business units. Newsprint expense for FPLP's own publications for the three quarters remained at the same level compared to the same period in the prior year, primarily due to lower volumes, offset by newsprint price increases. Newsprint for commercial use decreased by $0.2 million due to lower volumes from the loss of the Metro contract, partially offset by higher prices. Delivery expenses for the nine months ended September 30, 2018 decreased by $0.6 million or 6.0%, primarily due to the cost savings related to the initiatives implemented to improve delivery route efficiency and fewer print copies delivered. Other expenses decreased by $0.7 million or 6.5%, primarily due to due to the replacement of third party services by internal resources.

EBITDA(1) for the three and nine months ended September 30, 2018 was $1.1 million and $3.8 million compared to $1.4 million and $5.8 million for the same periods last year, a decrease of 19.5% and 33.7%, respectively. EBITDA(1) margin for the three and nine months ended September 30, 2018 was 6.9% and 7.8%, compared to 8.1% and 10.7% in the same periods last year. The changes in EBITDA(1) were due to the revenue and operating expense paragraphs above.

Finance costs for the three and nine months ended September 30, 2018 decreased slightly, primarily due to the lower level of debt outstanding, partially offset by increased interest rates.

FPLP's net earnings were $0.1 million for the three months ended September 30, 2018 and the net loss was $5.4 million for the nine months ended September 30, 2018, compared to net earnings of $0.3 million and $2.6 million for the same periods last year. Excluding the $6.4 million impairment charge relating to goodwill and intangible assets recorded in the second quarter of 2018, FPLP's net earnings were $0.1 million and $0.9 million for the three and nine months ended September 30, 2018.

Under IFRS, comprehensive income includes remeasurements gains and losses related to FPLP's defined benefit pension plan. These gains and losses are primarily related to changes in actuarial discount rate assumptions and returns on plan assets differing from expected income. In the three months ended September 30, 2018, the actuarial gain was primarily due to decreases in the defined benefit obligation primarily resulting from an increase in the discount rate.

The Winnipeg Free Press claimed three honours at the 2018 Editor and Publisher Awards. The EPPY Awards are an international contest in their twenty-third year honouring the best in digital media across thirty diverse categories. The Free Press won in the categories of best daily newspaper website best digital magazine, Above the Fold, and best sports video, Party on Winnipeg: Jets fans revel in Game 7 playoff win. All three awards came in the under one million unique monthly visitor tier. The Free Press was the only Canadian media outlet nominated for the 2018 awards.

During the quarter various marketing efforts were coordinated around the production of a digital only newspaper on Monday November 12th given it was a general holiday under the collective bargaining agreement and additional labour costs would have likely exceeded any revenue form a printed paper. In paper ads advised readers of the change and registered subscribers also were sent emails with a link to a short tutorial video showing how the access and navigate through the replica version of the Winnipeg Free Press. User traffic on November 12th was just under sixteen thousand which is over five times the normal daily traffic for the E-edition, and total page views exceeded four hundred thousand, again roughly five times higher than average daily levels before this day.

At the Winnipeg Free Press, Christine Fehler our Vice President of Production resigned to pursue another opportunity. Parmesh Sharma, previously the mailroom and inserting manager was promoted to the Vice President of Production. Mr. Sharma has overseen inserting operations for a number of years prior to joining the Free Press early in 2014. In addition to maintaining his current mailroom and inserting responsibilities the press department will be added to his duties. Tony Leblanc, Vice President of Audience Development will assume oversight responsibilities over the shipping department and the Flyer Advantage non subscriber delivery force. Grant Suderman, Vice President of Advertising has assumed responsibilities over the creative services department.

Canstar Community News welcomed Eva Wasney, a veteran of the Brandon Sun, to its editorial department in July, recruiting her as the community journalist for The Metro publication. In September and October, Canstar reporters teamed up with the Winnipeg Free Press team to do ward profiles and to provide live, on-the-spot coverage of the 2018 civic election. The editorial team has also begun working on a major project looking at the state of community clubs and community centres in Winnipeg and surrounding area. The editorial and sales departments are looking ahead to 2019 by reviewing the papers' lineups of special advertising sections with the goal of providing a broader product mix to better reflect the needs of local advertisers.

In Steinbach, the third quarter saw improved stability in revenue on both The Carillon newspaper and commercial printing sides of the business. With respect to The Carillon, the civic election in October helped drive advertising through August and September with a number of new candidates challenging for both council and mayor seats. Improved support from the telecommunications sector also helped drive improved newspaper advertising through the quarter. The Carillon classified revenues were also better, driven by municipal notices supporting zoning changes as well as required notifications on nominations and election information. The Manitoba Community Newspaper

Association, including The Carillon and Canstar Community News participated in a lobby group with the goal of stopping the provincial government from removing the long standing requirement for certain public notices to be printed in newspapers. While the overall legislation was passed, the government has gone on record to state that the section relating to the elimination of the requirement to run notices in newspapers will not be enacted at least at this time. The commercial printing business also benefited from the election through work for candidate marketing materials and ballots for the various municipalities, towns and cities. Some additional restructuring took place allowing for a small reduction in headcount again in the third quarter.

The Brandon Sun team completed a redesign of the newspaper in the third quarter. As a result of a readership survey conducted earlier this year, there were a few features eliminated in the paper including the TV listings. As the readership continues to stabilize, the Brandon Sun also made changes to the Editorial Department to allow for more local content to be featured in the paper. Through the readership survey, it was determined our readers want more local content and fewer wire stories. During the quarter a new reporter was hired and layout functions were consolidated at the Winnipeg Free Press which allowed for the reduction of two copy editor positions.

Quarterly Summary

Newspaper publishing is, to a certain extent, a seasonal business, with a higher proportion of revenues and operating earnings occurring during the second and fourth quarters of the calendar year. Revenue, EBITDA(1) and net earnings of FPLP by quarter for 2018, 2017 and 2016 were as follows:

	2018	2017	2016
		In thousands of dollars	
Revenue			
Quarter 1	$ 16,070	$ 18,218	$ 19,642
Quarter 2	17,375	18,795	20,773
Quarter 3	15,925	16,893	19,209
Quarter 4		18,043	20,881
		$ 71,949	$ 80,505
EBITDA(1)			
Quarter 1	$ 887	$ 1,704	$ 2,189
Quarter 2(*)	1,846	2,706	2,877
Quarter 3	1,096	1,362	1,759
Quarter 4(*)		2,241	3,412
		$ 8,013	$ 10,237
Net Earnings (Loss)			
Quarter 1	$ (110)	$ 621	$ 797
Quarter 2(*)	(5,465)	1,637	(11,192)
Quarter 3	132	305	401
Quarter 4(*)		(4,797)	(7,856)
		$ (2,234)	$ (17,850)

(*)Goodwill and intangibles impairment charges of $6.4 million were recorded in the second quarter of 2018, $6.0 million in the fourth quarter of 2017, $12.7 million in the second quarter of 2016 and $10.0 million in the fourth quarter of 2016. These goodwill and intangibles impairment charges were recorded primarily due to continued declines in revenues and earnings.

Liquidity and Capital Resources of FPLP

Cash and cash equivalents at September 30, 2018 was $8.2 million, compared to $6.7 million at December 31, 2017. Cash and cash equivalents may be used to reduce debt, to fund future capital expenditures, to pay future distributions (including future income taxes payable by the partners), or for other strategic initiatives or general purposes. Cash flow from operations, together with cash balances on hand, is currently expected to be sufficient to fund FPLP's operating requirements, capital expenditures and required principal repayments under FPLP's credit facility, assuming that advertising revenues do not materially deteriorate beyond management's current expectations.

Cash Flow from Operating Activities

During the three and nine months ended September 30, 2018, cash generated from operating activities was $0.3 million and $3.3 million, compared to $1.2 million and $6.4 million for the same periods in 2017. Net earnings for the three and nine months ended September 30, 2018 were $0.1 million and $0.9 million, excluding the $6.4 million non-cash goodwill and intangible asset impairment charge recorded in the second quarter of 2018, compared to $0.3 million and $2.6 million for the same periods in 2017. The net change in non-cash working capital used $0.3 million for the three months ended September 30, 2018 and provided $ 0.6 million of cash for the nine months ended September 30, 2018, compared to providing $0.3 million and $2.7 million for the three and nine months ended September 30, 2017. The change in cash provided by non-cash working capital changes is primarily the result of timing of receipts from customers and payments to vendors.

Financing Activities

Financing activities used $0.2 million and $1.7 million for the three and nine months ended September 30, 2018, compared to $0.2 million and $3.7 million for the same periods in 2017. The primary reason for the lower use of funds in the nine month period is due to a voluntary early principal repayment of $7.0 million in November 2017, which eliminated the need for a cash sweep repayment for the 2017 fiscal year, which would have otherwise been required in the second quarter of 2018

Contractual Obligations

There have been no significant changes to contractual obligations since December 31, 2017.

Related Party Transactions

FPLP purchased a majority of its newsprint from Alberta Newsprint Company ("ANC"), a related party, as disclosed under the related party transaction section of FPLP's Annual Management's Discussion and Analysis at December 31, 2017. Total newsprint purchases from ANC, based on actual invoice prices, for the three and nine months ended September 30, 2018 were $1.1 million and $3.2 million, compared to $1.3 million and $3.6 million for the same periods last year.

DISCLOSURE CONTROLS AND PROCEDURES

In FPI's 2017 filings, the CEO and CFO certified, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design and effectiveness of the Corporation's disclosure controls and procedures, and the design and effectiveness of internal controls over financial reporting.

In FPI's third quarter 2018 filings, the CEO and CFO certify, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design of the Corporation's disclosure controls and procedures, and the design of internal controls over financial reporting.

FPI's Audit Committee reviewed this MD&A, and the interim financial report, and the Board of Directors approved these documents prior to their release.

There have been no changes to FPI's internal controls over financial reporting that occurred during the first three quarters of 2018 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

CRITICAL ACCOUNTING ESTIMATES

There have been no significant changes in FPI's or FPLP's critical accounting estimates except impairments since the December 2017 year-end.

OUTLOOK

As mentioned above, the third quarter revenue declines were not as severe as we experienced in the first two quarters and this improvement has continued so far into the fourth quarter.

On December 10, 2018 unionized Brandon Sun employees will vote on the extension of the existing collective agreement from December 31, 2018 to December 31, 2019.

During Winnipeg Free Press collective bargaining sessions held in 2017 it was agreed that an eight percent salary reduction (four percent for employees hired after June 30, 2013) would be triggered if free cash, as defined during the negotiations and calculated quarterly on a trailing twelve month basis, falls below a threshold level of $0.8 million. The free cash calculation for the twelve months ending September 30, 2018 was $0.7 million.

On November 21 the federal government in its fiscal economic update committed to an estimated $595 million over the next five years in subsidies to Canadian Media. The announcement broadly outlined three specific areas of assistance. The government is proposing a non-refundable 15 percent tax credit for subscriptions to Canadian digital news media designed as a temporary measure to help legacy media's transition to digital offerings. News organizations would also be eligible for a refundable tax credit to support labour costs associated with producing original news content covering both non and for profit companies. The third measure would allow newsrooms to receive charitable donations and issue tax receipts which would apply to non-profit journalism organizations that produce a variety of news and information of interest to Canadians. While it is not possible to estimate the potential size or timing of benefits FPLP could receive under these new programs, the announcement is a significant development and is an important recognition of the value of journalism in communities across Canada.

NON-IFRS MEASURES

(1) EBITDA

FPLP believes that in addition to net earnings as reported on FPLP's interim condensed consolidated statements of earnings, EBITDA is a useful supplemental measure as it is a measure used by many of FPLP's Unitholders, creditors and analysts as a proxy for the amount of cash generated by FPLP's operating activities. EBITDA is not a recognized measure of financial performance under IFRS. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of FPLP`s performance. FPLP's method of calculating EBITDA is detailed below and may differ from that used by other issuers and, accordingly, EBITDA as calculated by FPLP may not be comparable to similar measures used by other issuers.

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2018	**2017**	**2018**	**2017**
	In thousands of dollars		*In thousands of dollars*	
Net earnings (loss) for the period	$ 132	$ 305	$ (5,443)	$ 2,563
Add (subtract):				
Depreciation and amortization	710	774	2,173	2,353
Impairment of goodwill and intangible assets	-	-	6,350	-
Finance costs	281	309	822	923
Other income	(27)	(26)	(73)	(67)
EBITDA	$ 1,096	$ 1,362	$ 3,829	$ 5,772

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this management's discussion and analysis may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. These statements include but are not limited to statements regarding management's intent, belief or current expectations with respect to market and general economic conditions, future costs and operating performance. Generally, but not always, forward-looking statements will be indicated by words such as "may", "will", "intend", "anticipate", "expect", "believe", "plan", "forecast", "is budgeting for" or similar terminology.

Forward-looking statements are subject to known and unknown risks and uncertainties that may cause the actual results, performance or achievements of the Corporation or FPLP, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the current general economic uncertainty, FPLP's ability to effectively manage growth and maintain its profitability, FPLP's ability to operate in a highly competitive industry, FPLP's ability to compete with other forms of media, FPLP's ability to attract advertisers, FPLP's reliance upon key personnel, FPLP's relatively high fixed costs, FPLP's dependence upon particular advertising customer segments, indebtedness incurred in making acquisitions, the availability of financing for capital improvements, the availability of an extension or refinancing of FPLP's term loan facilities, costs related to capital expenditures, cyclical and seasonal variations in FPLP's revenues, the risk of acts of terrorism, the cost of newsprint, the potential for labour disruptions, the risk of equipment failure, and the effect of Canadian tax laws. Additional information about these and other factors is discussed in our Annual Management Discussion and Analysis dated March 8, 2018, which is available at www.sedar.com.

In addition, although the forward-looking statements contained in this management's discussion and analysis are based upon what management of FPLP believes are reasonable assumptions, such assumptions may prove to be incorrect.

Forward-looking statements speak only as of the date hereof and, except as required by law, the Corporation and FPLP assume no obligation to update or revise them to reflect new events or circumstances. Because forward-looking statements are inherently uncertain, readers should not place undue reliance on them.

FP Newspapers Inc.
Condensed Balance Sheets
(unaudited, in thousands of Canadian dollars)

	Note	As at September 30, 2018	As at December 30, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 483	$ 735
Prepaid expenses and other assets		1	-
		484	735
LONG-TERM ASSETS			
Investment in FP Canadian Newspapers Limited Partnership	3	4,501	6,411
TOTAL ASSETS		$ 4,985	$ 7,146
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		36	69
Income taxes payable		160	175
		196	244
LONG-TERM LIABILITIES			
Deferred income tax liability		694	835
TOTAL LIABILITIES		890	1,079
SHAREHOLDERS' EQUITY			
Share capital		71,373	71,373
Deficit		(67,278)	(65,306)
TOTAL SHAREHOLDERS' EQUITY		4,095	6,067
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 4,985	$ 7,146

(See accompanying notes)

FP Newspapers Inc.
Condensed Statements of Earnings (Loss) and Comprehensive Earnings (Loss)
(unaudited, in thousands of Canadian dollars except per share amounts)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	**2018**	**2017**	**2018**	**2017**
Equity interest from FP Canadian Newspapers Limited Partnership Class A limited partner units	3	$ 64	$ 149	$ 444	$ 1,256
Write-down of investment in FP Canadian Newspapers Limited Partnership Class A limited partner units		-	-	(3,112)	-
Administration expenses		(30)	(39)	(114)	(104)
Other income		1	1	3	1
Net earnings (loss) before income taxes		35	111	(2,779)	1,153
Current income tax (expense) recovery		(3)	28	(92)	(147)
Deferred income tax (expense) recovery		(10)	(68)	346	(183)
Net earnings (loss) for the period		**$ 22**	**$ 71**	**$ (2,525)**	**$ 823**
Items that will not be reclassified to net earnings:					
Equity interest of other comprehensive earnings (loss) from FP Canadian Newspaper Limited Partnership	3	384	356	758	(705)
Deferred income tax (expense) recovery		(104)	(96)	(205)	191
Comprehensive earnings (loss) for the period		**$ 302**	**$ 331**	**$ (1,972)**	**$ 309**
Weighted average number of Common Shares outstanding		6,902,592	6,902,592	6,902,592	6,902,592
Net earnings (loss) per share – basic and diluted		$ 0.003	$ 0.010	$ (0.366)	$ 0.119

(See accompanying notes)

FP Newspapers Inc.
Condensed Statements of Changes in Equity
(unaudited, in thousands of Canadian dollars)

	Share Capital	Deficit	Total Shareholders' Equity
At December 30, 2016	$ 71,373	$ (62,674)	$ 8,699
Net earnings for the period	-	823	823
Other comprehensive (loss) for the period	-	(514)	(514)
Comprehensive (loss) for the period	-	(309)	(309)
At September 30, 2017	$ 71,373	$ (62,365)	$ 9,008
At December 30, 2017	$ 71,373	$ (65,306)	$ 6,067
Net loss for the period	-	(2,525)	(2,525)
Other comprehensive income for the period	-	553	553
Comprehensive (loss) for the period	-	(1,972)	(1,972)
At September 30, 2018	$ 71,373	$ (67,278)	$ 4,095

(See accompanying notes)

FP Newspapers Inc.
Condensed Statements of Cash Flows
(unaudited, in thousands of Canadian dollars)

	Note	Three months Ended September 30, 2018	Three months Ended September 30, 2017	Nine months Ended September 30, 2018	Nine months Ended September 30, 2017
CASH PROVIDED BY (USED IN):					
OPERATING ACTIVITIES					
Net earnings (loss) for the period		$ 22	$ 71	$ (2,525)	$ 823
Items not affecting cash:					
Equity interest from Class A Units of FP Canadian Newspapers Limited Partnership	3	(64)	(149)	(444)	(1,256)
Non-cash write-down of investment in FP Canadian Newspapers Limited Partnership		-	-	3,112	-
Deferred income tax expense (recovery)		10	68	(346)	183
Net change in non-cash working capital items		(30)	301	(49)	325
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(62)	291	(252)	75
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD		545	457	735	673
CASH AND CASH EQUIVALENTS – END OF PERIOD		$ 483	$ 748	$ 483	$ 748
Supplemental cash flow information:					
Income tax paid		$ 4	$ -	$ 107	$ 100

(See accompanying notes)

1. GENERAL INFORMATION

FP Newspapers Inc. ("FPI"), which was incorporated under the Canada Business Corporations Act on March 17, 2010, owns securities entitling it to 49% of the distributable cash as defined in the partnership agreement of FP Canadian Newspapers Limited Partnership ("FPLP"). FPLP is a limited partnership formed under the laws of British Columbia on August 9, 1999. It owns the Winnipeg Free Press, the Brandon Sun and other newspapers, printing and media businesses. The address of FPI's registered office is Suite 2900, P.O. Box 11583, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N8.

2. SIGNIFICANT ACCOUNTING POLICIES

These interim condensed financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 "Interim Financial Reporting". In accordance with GAAP, these interim condensed financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 30, 2017. In management's opinion, the interim condensed financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim period presented.

These interim condensed financial statements were approved by the Board of Directors of FPI on November 29, 2018.

Accounting Policies

The accounting policies adopted in preparation of the interim condensed financial statements are consistent with those followed in the preparation of FPI's annual financial statements for the year ended December 30, 2017, except for the adoption of IFRS 15 "*Revenue from Contracts with Customers*" and IFRS 9 "*Financial Instruments*" which were effective January 1, 2018. The nature and impact of the adoption of these standards is described below.

IFRS 15 - Revenue from Contracts with Customers
FPI adopted IFRS 15 "*Revenue from Contracts with Customers*" in accordance with the modified retrospective transitional approach. There were no transitional adjustments or changes to the FPI's revenue recognition policies required on adoption of this standard.

IFRS 9 - Financial Instruments
IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

FPI adopted IFRS 9 "*Financial Instruments*", effective January 1, 2018. In accordance with the transitional provisions, FPI has not restated comparative information for 2017 for financial instruments within the scope of IFRS 9. Therefore, the comparative information for 2017 is reported under IAS 39 and is not comparable to the information presented for 2018 in accordance with IFRS 9. There were no transitional adjustments required on adoption of this standard. Due to the limited financial instruments held by FPI, the standard did not have an impact on the financial statements.

The measurement categories for financial assets under IAS 39, fair value through profit or loss ("FVTPL"), available for sale ("AFS"), and held-to-maturity and amortized cost have been replaced by the following categories under IFRS 9:

- Debt instruments at amortized cost;
- Debt instruments at fair value through other comprehensive income ("FVOCI"), with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition;
- Financial assets at FVTPL

(unaudited, tabular amounts in thousands of Canadian dollars)

Under IFRS 9, the classification of debt instruments is based on two criteria: FPI's business model for managing the assets; and whether the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the 'SPPI criterion'). The assessment of a FPI's business models and contractual cash flows of debt instruments is made as of the date of initial application.

Under IFRS 9, equity instruments are generally classified as FVTPL. For equity instruments that are not held for trading, FPI can make an irrevocable election on initial recognition to classify the instrument as FVOCI with no recycling of gains or losses to profit or loss on derecognition. This election is available on an instrument-by-instrument basis.

Other financial liabilities
The accounting for the FPLP's financial liabilities remains the same as it was under IAS 39. Other financial liabilities will continue to be measured at amortized cost using the effective interest rate method.

The adoption of IFRS 9 did not have an impact on the financial statements.

3. INVESTMENT IN FP CANADIAN NEWSPAPERS LIMITED PARTNERSHIP

FPI holds all of the Class A limited partner Units of FPLP, which entitles it to 49% of the distributable cash, as defined in the Partnership Agreement of FPLP.

The investment in FPLP is summarized as follows:

	Class A limited partner units
Balance at December 30, 2016	$ 8,782
Equity interest in net earnings and comprehensive income for the year ended December 30, 2017	569
Non-cash write-down of investment in FP Canadian Newspapers Limited Partnership Class A limited partner units	(2,940)
Balance at December 30, 2017	$ 6,411
Equity interest in net earnings and comprehensive income for the nine months ended September 30, 2018	1,202
Non-cash write-down of investment in FP Canadian Newspapers Limited Partnership Class A limited partner units	(3,112)
Balance at September 30, 2018	$ 4,501

(unaudited, tabular amounts in thousands of Canadian dollars)

The equity interest from FPI's investment in Class A limited partner units and the equity interest in the other comprehensive income of FPLP are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Net earnings (loss) of FPLP	$ 132	$ 305	$ (5,443)	$ 2,563
Add back impairment of goodwill and intangible assets recorded by FPLP	-	-	6,350	-
Net earnings of FPLP before goodwill and intangible assets impairment charge	132	305	907	2,563
Interest attributable to FPI	49%	49%	49%	49%
Equity interest in net earnings of FPLP before goodwill and intangible assets impairment charge	64	149	444	1,256
Other comprehensive earnings (loss) of FPLP	783	727	1,546	(1,439)
Interest attributable to FPI	49%	49%	49%	49%
Equity interest in other comprehensive earnings (loss) of FPLP	$ 384	$ 356	$ 758	$ (705)

Due to continued declines in revenue and earnings experienced by FPLP, FPI determined that objective evidence of impairment existed in its investment in FPLP in the second quarter of 2018. The recoverable amount, based on fair value less costs to dispose, of the investment was determined by applying a market multiple of 4.2 to the trailing twelve month EBITDA of FPLP at June 30, 2018. The market multiple was considered to be a level 3 input within the IFRS 13 fair value hierarchy.

4. FINANCIAL INSTRUMENTS

The fair value of current assets and liabilities including cash and cash equivalents and accounts payable and accrued liabilities approximates their carrying value due to the short-term nature of these financial instruments.

FPI does not carry any assets or liabilities at fair value, and therefore does not prepare a fair value hierarchy.

FP Canadian Newspapers Limited Partnership
Condensed Consolidated Balance Sheets
(unaudited, in thousands of Canadian dollars)

	Note	As at September 30, 2018	As at December 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 8,239	$ 6,698
Accounts receivable		5,725	6,399
Inventories		1,072	1,034
Prepaid expenses and other assets		1,033	1,230
		16,069	15,361
LONG-TERM ASSETS			
Property, plant and equipment		24,721	26,581
Intangible assets		2,807	6,041
Goodwill		-	3,350
TOTAL ASSETS		$ 43,597	$ 51,333
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		$ 4,650	$ 5,207
Prepaid subscriptions and deferred revenue		2,768	2,673
Finance lease obligation		845	820
Mortgage loan		56	61
Term loan	6	1,000	1,000
		9,319	9,761
LONG-TERM LIABILITIES			
Accrued pension benefit liability		347	2,097
Finance lease obligation		-	638
Mortgage loan		765	801
Term loan	6	23,954	24,927
TOTAL LIABILITIES		34,385	38,224
UNITHOLDERS' EQUITY			
Partner units		98,280	98,280
Deficit		(89,068)	(85,171)
TOTAL UNITHOLDERS' EQUITY		9,212	13,109
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY		$ 43,597	$ 51,333

(See accompanying notes)

FP Canadian Newspapers Limited Partnership
Condensed Consolidated Statements of Income (Loss) and Statements of Comprehensive Income (Loss)
(unaudited, in thousands of Canadian dollars)

	Note	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Revenue					
Print advertising		$ 8,318	$ 9,017	$ 26,829	$ 30,174
Circulation		6,208	6,166	18,178	18,372
Commercial printing		789	1,029	2,421	3,199
Digital		487	529	1,519	1,629
Promotion and services		123	152	423	532
TOTAL REVENUE		15,925	16,893	49,370	53,906
Operating expenses					
Employee compensation		7,329	7,695	22,588	23,502
Newsprint and other paper		1,398	1,449	4,309	4,555
Delivery of newspapers		2,970	3,226	9,205	9,796
Other		3,050	3,119	9,328	9,980
Depreciation and amortization		710	774	2,173	2,353
Restructuring charge		82	42	111	301
Operating income before impairment		386	588	1,656	3,419
Impairment of goodwill and intangible assets	8	-	-	(6,350)	-
OPERATING INCOME (LOSS)		386	588	(4,694)	3,419
Other income		27	26	73	67
Finance costs	4	(281)	(309)	(822)	(923)
NET INCOME (LOSS) FOR THE PERIOD		$ 132	$ 305	$ (5,443)	$ 2,563
Items that will not be reclassified to net earnings:					
Remeasurements for defined benefit pension plan		783	727	1,546	(1,439)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		$ 915	$ 1,032	$ (3,897)	$ 1,124

(See accompanying notes)

FP Canadian Newspapers Limited Partnership
Condensed Consolidated Statements of Changes in Equity
(unaudited, in thousands of Canadian dollars)

	Partner Units	Deficit	Total Unitholders' Equity
UNITHOLDERS' EQUITY – DECEMBER 31, 2016	$ 98,280	$ (80,333)	$ 17,947
Net income for the period	-	2,563	2,563
Other comprehensive (loss) for the period	-	(1,439)	(1,439)
Comprehensive income for the period	-	1,124	1,124
UNITHOLDERS' EQUITY – SEPTEMBER 30, 2017	$ 98,280	$ (79,209)	$ 19,071
UNITHOLDERS' EQUITY – DECEMBER 31, 2017	$ 98,280	$ (85,171)	$ 13,109
Net (loss) for the period	-	(5,443)	(5,443)
Other comprehensive income for the period	-	1,546	1,546
Comprehensive (loss) for the period	-	(3,897)	(3,897)
UNITHOLDERS' EQUITY – SEPTEMBER 30, 2018	$ 98,280	$ (89,068)	$ 9,212

(See accompanying notes)

FP Canadian Newspapers Limited Partnership
Unaudited Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands of Canadian dollars)

	Three months ended September 30, 2018	2017	Nine months ended September 30, 2018	2017
Cash provided by (used in):				
Operating activities				
Net earnings (loss) for the period	$ 132	$ 305	$ (5,443)	$ 2,563
Items not affecting cash:				
Depreciation and amortization	710	774	2,173	2,353
Accretion of term loan related to financing costs	9	9	27	27
Impairment of goodwill and intangible assets	-	-	6,350	-
(Gain) on disposal of property, plant and equipment	-	-	(2)	-
(Excess) of pension contribution over expense	(148)	(169)	(419)	(1,290)
	703	919	2,686	3,653
Net change in non-cash working capital items	(355)	294	584	2,741
	348	1,213	3,270	6,394
INVESTING ACTIVITIES				
Purchases of property, plant and equipment	(34)	-	(56)	(23)
Purchase of intangible assets	(21)	(26)	(21)	(72)
Proceeds from sale of property, plant and equipment	-	-	2	-
	(55)	(26)	(75)	(95)
FINANCING ACTIVITIES				
Principal repayments of finance lease	(206)	(199)	(613)	(643)
Principal repayments of mortgage loan	(13)	(15)	(41)	(45)
Principal repayment of term loan	-	-	(1,000)	(3,000)
	(219)	(214)	(1,654)	(3,688)
INCREASE IN CASH AND CASH EQUIVALENTS	74	973	1,541	2,611
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	8,165	11,608	6,698	9,970
CASH AND CASH EQUIVALENTS – END OF PERIOD	$ 8,239	$ 12,581	$ 8,239	$ 12,581
Supplemental Cash Flow Information:				
Interest paid during the period	$ 262	$ 290	$ 785	$ 893
Interest received during the period	26	24	69	64

(See accompanying notes)

1. GENERAL INFORMATION

FP Canadian Newspapers Limited Partnership ("FPLP") is a limited partnership formed on August 9, 1999 in accordance with the laws of British Columbia. FPLP publishes, prints and distributes daily and weekly newspapers and specialty publications, delivers advertising materials in the Manitoba market and provides commercial printing services. The address of the registered office of its managing general partner, FPCN General Partner Inc., is Suite 2900, P.O. Box 11583, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N8.

These interim condensed consolidated financial statements include the operating businesses owned by FPLP. The managing general partner of FPLP is FPCN General Partner Inc. ("FPGP"). These interim condensed consolidated financial statements include only the assets, liabilities, revenues and expenses of FPLP and its subsidiaries and do not include the other assets, liabilities, revenues and expenses, including income taxes of the partners.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These interim condensed financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 "Interim Financial Reporting". In accordance with GAAP, these interim condensed financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017. In management's opinion, the interim condensed financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods presented.

These interim condensed consolidated financial statements were approved by the Board of Directors of FPGP on November 29, 2018.

FPLP's advertising revenue is seasonal. Advertising revenue and accounts receivable are highest in the second and fourth fiscal quarters, while expenses are relatively constant throughout the fiscal year.

Accounting Policies

The accounting policies adopted in preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the FPLP's annual consolidated financial statements for the year ended December 31, 2017, except for the adoption of IFRS 15 "*Revenue from Contracts with Customers*" and IFRS 9 "*Financial Instruments*" which were effective January 1, 2018. The nature and impact of the adoption of these standards is described below.

IFRS 15 - Revenue from Contracts with Customers
FPLP adopted IFRS 15 "Revenue from Contracts with Customers" in accordance with the modified retrospective transitional approach. There were no transitional adjustments or changes to the FPLP's revenue recognition policies required on adoption of this standard. As FPLP's contracts with customers are for a term of one year or less, FPLP applied the practical expedient to expense incremental contract costs.

IFRS 9 - Financial Instruments
IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

FPLP adopted IFRS 9 "*Financial Instruments*", effective January 1, 2018. In accordance with the transitional provisions, FPLP has not restated comparative information for 2017 for financial instruments within the scope of IFRS 9. Therefore, the comparative information for 2017 is reported under IAS 39 and is not comparable to the information presented for 2018 in accordance with IFRS 9. There were no transitional adjustments required on adoption of this standard.

The measurement categories for financial assets under IAS 39, fair value through profit or loss ("FVTPL"), available for sale ("AFS"), and held-to-maturity and amortized cost have been replaced by the following categories under IFRS 9:

- Debt instruments at amortized cost;
- Debt instruments at fair value through other comprehensive income ("FVOCI"), with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition;
- Financial assets at FVTPL

Under IFRS 9, the classification of debt instruments is based on two criteria: FPLP's business model for managing the assets; and whether the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the 'SPPI criterion'). The assessment of a FPLP's business models and contractual cash flows of debt instruments is made as of the date of initial application.

Under IFRS 9, equity instruments are generally classified as FVTPL. For equity instruments that are not held for trading, FPLP can make an irrevocable election on initial recognition to classify the instrument as FVOCI with no recycling of gains or losses to profit or loss on derecognition. This election is available on an instrument-by-instrument basis.

Debt instruments at amortized cost
On adoption of IFRS 9, the FPLP's trade and other receivables will continue to be subsequently measured at amortized cost, as these assets are held in order to collect contractual cash flows and the contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Trade and other receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method less any impairment.

Other financial liabilities
The accounting for FPLP's financial liabilities remains the same as it was under IAS 39. Other financial liabilities will continue to be measured at amortized cost using the effective interest rate method.

Impairment
For trade and other receivables, FPLP has applied the standard's simplified approach and has calculated expected credit losses based on lifetime expected credit losses. FPLP has established a provision matrix that is based on the FPLP's historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment. There are no significant differences between the ending impairment allowances for trade and other receivables under IAS 39 and the opening loss allowance under IFRS 9.

Accounting standards issued but not yet effective

IFRS 16 – Leases
IFRS 16, Leases replaces IAS 17, Leases and related interpretations. The core principle is that a lessee recognize assets and liabilities for all leases with a lease term of more than 12 months. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured on a present value basis. IFRS 16 is effective for annual periods beginning on January 1, 2019. FPLP is currently evaluating its lease agreements in order to quantify the impact of adopting this standard on its financial statements.

(unaudited, tabular amounts in thousands of Canadian dollars)

3. EMPLOYEE FUTURE BENEFIT PLANS

The net benefit plan costs included in operating expenses is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Defined benefit pension plan	$ 412	$ 326	$ 1,236	$ 979

4. FINANCE COSTS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Finance costs				
Interest on finance leases	8	14	29	48
Interest on mortgage loan	9	8	27	24
Interest on term loan	255	278	739	824
Accretion of term loan related financing costs	9	9	27	27
Total finance costs	$ 281	$ 309	$ 822	$ 923

5. RELATED PARTY TRANSACTIONS

Total newsprint purchases from Alberta Newsprint Company, a company controlled indirectly by Ronald Stern, for the three and nine months ended September 30, 2018 were $1,115,000 and $3,205,000 ($1,300,000 and $3,600,000 for the three and nine months ended September 30, 2017).

6. LONG-TERM DEBT

The long-term debt agreement with HSBC Bank Canada matures on January 31, 2020. Principal repayments of $1,000,000 are due on the first of June each year and a cash sweep is payable no later than 90 days after the end of each fiscal year. The cash sweep is equal to the lesser of $3,500,000 or 25% of FPLP's annual distributable cash as defined in the agreement. In addition to the $483,000 cash sweep payment made on March 31, 2017 for the 2016 fiscal year, a voluntary repayment of $1,517,000 was made and a voluntary early principal repayment was made in November 2017 in the amount of $7,000,000, which eliminates the need for a cash sweep repayment at March 31, 2018. The maximum principal balance under the agreement is $20,000,000 on January 31, 2020. The renewal agreement includes negative covenants which must be observed in order to avoid an accelerated termination of the agreement, including a covenant in favour of HSBC not to pay distributions which exceed distributable cash by more than $1,000,000 in any fiscal year, as well as a covenant not to amend the share capital or permit changes to the beneficial ownership of FPGP. The Loan is secured by substantially all of the assets of FPLP.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of current assets and liabilities including cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their carrying value due to the short-term nature of these financial instruments. At September 30, 2018 the fair value of the HSBC term loan, based on Level 3 fair value hierarchy inputs, is approximately $25,000,000 (December 31, 2017 $26,000,000). The fair value of the mortgage loan, based on level 3 fair value hierarchy inputs, approximates its carrying value.

The fair value of long-term debt and mortgage payable has been calculated by discounting the expected cash flows of each debt using a discount rate of 3.55% and 4.25%, respectively. The discount rate is determined using a risk free benchmark bond yield for instruments of similar maturity adjusted for the Company's specific credit risk. In determining the adjustment for credit risk, the Company considers market conditions, the underlying values of properties and other assets secured by the associated loan and other indicators of the Company's credit worthiness.

FPLP's financial assets and liabilities are comprised of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt which include the term-loan and mortgage loan.

There were no transfers within the fair value hierarchy during the nine month ended September 30, 2018.

8. IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS

Due to continued declines in revenue and profitability, FPLP performed an impairment analysis at its cash generating unit ("Goodwill CGU"), which represents the single operating segment of FPLP. The recoverable amount of the goodwill CGU was based on fair value less costs to dispose, determined by applying a market multiple of 4.2 to the trailing twelve month EBITDA of FPLP at June 30, 2018. As a result of the impairment analysis performed, FPLP concluded that the carrying value of goodwill CGU was less than the recoverable amount and accordingly recorded an impairment charge of $3,350,000 and also recorded an impairment of mastheads of $3,000,000. The market multiple was considered to be a level 3 input within the IFRS 13 fair value hierarchy.