



**Postmedia Network Canada Corp.
Q4 F2013 Investor and Analyst Conference Call**

October 24, 2013

Forward-Looking Statements

This presentation may include certain information that is “forward-looking information” under applicable Canadian securities laws and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The Company has tried, where possible, to identify such information and statements by using words such as “believe,” “expect,” “intend,” “estimate,” “anticipate,” “may,” “will,” “could,” “would,” “should” and similar expressions and derivations thereof in connection with any discussion of future events, trends or prospects or future operating or financial performance. Forward-looking statements in this presentation include statements with respect to the implementation and results of the Company’s transformation initiatives and the realization of anticipated cost savings.

By their nature, forward-looking information and statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, among others, competition from other newspapers and alternative forms of media; the effect of economic conditions on advertising revenue; the ability of the Company to build out its digital media and online businesses; the failure to maintain current print and online newspaper readership and circulation levels; the realization of anticipated cost savings; possible damage to the reputation of the Company’s brands or trademarks; possible labour disruptions; possible environmental liabilities, litigation and pension plan obligations; not being able to refinance our ABL Facility in July 2014 on attractive terms or at all; fluctuations in foreign exchange rates and the prices of newsprint and other commodities. For a complete list of our risk factors please refer to the section entitled “Risk Factors” contained in our annual management’s discussion and analysis for the years ended August 31, 2013, 2012 and 2011, which can be found on the Company’s website at www.postmedia.com, on SEDAR at www.sedar.com or on the SEC’s website at www.sec.gov. Although the Company bases such information and statements on assumptions believed to be reasonable when made, they are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry in which the Company operates may differ materially from any such information and statements in this presentation.

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Unless otherwise noted, all references to “\$” are to Canadian dollars.

POSTMEDIA NETWORK

PRINT DIGITAL

NATIONAL POST

The Province

THE VANCOUVER SUN

The StarPhoenix

CALGARY HERALD

EDMONTON JOURNAL

LEADER-POST

The Gazette
montrealgazette.com

OTTAWA CITIZEN

THE WINDSOR STAR

TILBURY TIMES

Kingsville REPORTER

LASALLE POST

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WindsorParent
MAGAZINE

Lakeshore News

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SERVICES

CALGARY FLYER FORCE
A DIVISION OF POSTMEDIA NETWORK INC.

EDMONTON FLYER FORCE
A DIVISION OF POSTMEDIA NETWORK INC.

OTTAWA FLYER FORCE
A DIVISION OF POSTMEDIA NETWORK INC.

POSTMEDIA EDITORIAL SERVICES

POSTMEDIA NEWS

Our English-language paid daily newspapers have, in total, the highest weekly print readership when compared to other media organizations in Canada, reaching 4.1 million Canadians each week⁽¹⁾

Digital properties with 6.4 million average monthly unique visitors⁽²⁾, including newspaper sites ranked #1 in Canada that reach 33% of Canadian newspaper site visitors⁽²⁾

(1) Source: NADbank 2012

(2) Source: comScore, MediaMetrix, Total Canada, All Locations, Q4F'13 (3month Average June-August 2013)

OPERATING RESULTS

Q4 Fiscal 2013 Highlights

Q4 Operating Results

- Consolidated revenue declined 10.9% relative to Q4 Fiscal 2012.
- Revenue declines experienced in all print advertising categories.
- Digital revenue decreased \$0.5 million or 2.4% compared to Q4 Fiscal 2012.
- Expense decreases of 9.8%, relative to Q4 F2012, partially offset revenue declines resulting in a decrease in operating income before depreciation, amortization, impairment and restructuring of \$4.9 million to \$23.2 million.

Three Year Transformation Program

- Implemented additional cost reductions in Q4 that are expected to result in additional net annualized cost savings of approximately [\$20] million.
- Total net annualized cost reductions since the three year program was announced total approximately [\$82] million.
- Remain focused on implementing additional cost savings to reach transformation targets announced in July 2012.

Q4 Fiscal 2013 Highlights (Continued)

Real Estate

- Announced intention to sell two real estate properties in British Columbia and Alberta with objective of using any realized proceeds to reduce debt.

Paid Content

- Total registrations (both paid subscriptions and free with existing print subscriptions) more than 120,000 subscribers to date
- Continue to see improving trends in circulation revenue with decline of 3.6% in Q4 compared to decline of 7.2% for the nine months ended May 31, 2013.

Digital Audiences

- Postmedia Newspapers¹ reached more than 5.6 million average monthly unique visitors in Q4 F13, up 3% vs. Q4 F12
- Postmedia mobile audience² in Q4 F13 grew 64% vs. Q4 F12

1. Source: comScore, MediaMetrix, Total Canada, All Locations. Q4 = (June/July/August *Victoria TimesColonist has been removed

2. Omniture SiteCatalyst, June/July/August 2013. *Note: UV duplication between properties and devices. Note: Omniture quotes total Worldwide audience

Q4 Fiscal 2013 – Financial Highlights

(In thousands of Canadian dollars)

	For the three months ended August 31, 2013 and 2012			For the years ended August 31, 2013 and 2012		
	Q4 F2013	Q4 F2012	Variance favourable (unfavourable)	F2013	F2012	Variance favourable (unfavourable)
Revenues						
Print advertising	93,968	112,157	(18,189)	445,547	514,987	(69,440)
Print circulation	49,359	51,223	(1,864)	195,899	209,177	(13,278)
Digital	21,408	21,937	(529)	91,606	89,076	2,530
Other	4,574	4,807	(233)	18,531	18,637	(106)
	169,309	190,124	(20,815)	751,583	831,877	(80,294)
Expenses						
Compensation	73,673	81,367	7,694	320,749	348,133	27,384
New sprint	8,791	11,717	2,926	40,902	52,628	11,726
Distribution	25,806	29,218	3,412	107,905	123,872	15,967
Other operating	37,800	39,649	1,849	151,626	162,908	11,282
Operating income before depreciation, amortization, impairment and restructuring	23,239	28,173	(4,934)	130,401	144,336	(13,935)
Depreciation	9,613	6,593	(3,020)	29,949	26,157	(3,792)
Amortization	10,646	10,881	235	43,325	43,566	241
Impairments	6,100	-	(6,100)	99,983	-	(99,983)
Restructuring and other items	10,746	13,014	2,268	34,171	35,355	1,184
Operating income (loss)	(13,866)	(2,315)	(11,551)	(77,027)	39,258	(116,285)
Net loss from continuing operations	(35,805)	(28,351)	(7,454)	(153,829)	(37,275)	(116,554)
Net earnings from discontinued operations, net of tax of nil	-	-	-	-	14,053	(14,053)
Net loss	(35,805)	(28,351)	(7,454)	(153,829)	(23,222)	(130,607)

Q4 Fiscal 2013 – Factors Affecting Revenue

Change vs. Same Period Prior Year for Key Revenue Categories

Revenue Category	3 months ended November 30, 2012	3 months ended February 28, 2013	3 months ended May 31, 2013	3 months ended August 31, 2013
National print advertising	-11%	-17%	-16%	-20%
Retail print advertising	-8%	-7%	-9%	-14%
Classified print advertising	-20%	-21%	-18%	-17%
Insert revenue	-7%	-8%	-7%	-7%
Digital revenue - Advertising	+10%	+2%	+3%	-5%
Digital revenue - Other	+9%	+1%	0%	5%
Print circulation	-9%	-7%	-6%	-4%

Factors affecting Q4 Fiscal 2013 Revenue

- Classified category experienced declines in all major segments (auto, employment and real estate).
- Largest national declines were in automotive, financial and entertainment categories.
- Declines in digital revenue due to declines in digital classified, partially offset by gains in local display advertising.

LOOKING AHEAD TO F14

To be Canada's premier destination for News, Information and Insights – and Advertisers' Preeminent Source for Engaged, High Value Audiences – Across Multiple Platforms, Every Day.

MONETIZE

Capitalize on our **audience-selling** capabilities, leverage our audience engagement, build **profitable relationships** between advertisers and their targets, drive our **All Access** and **Digital Access** offerings with consumers.

DIFFERENTIATE

Create distinctive and **differentiated** products across **four platforms** (print, web, tablet & smartphone) leveraging their unique features and uses to **deliver personalized experiences** to **specific audiences**, with a strong focus on **local** content.

ENGAGE

Leverage our **differentiated products** and advanced audience analytics capabilities to **create experiences** that **exceed the expectations** of loyal subscribers, **deepen relationships** with engaged users, and **create a following** among urban Canadians.

Efficient Cost Structure

We will continue the transformation from the legacy processes and costs of a traditional newspaper publisher to the efficient, responsive systems and processes required of a competitive, multi-platform, modern media company.

Engaged and Aligned Employees

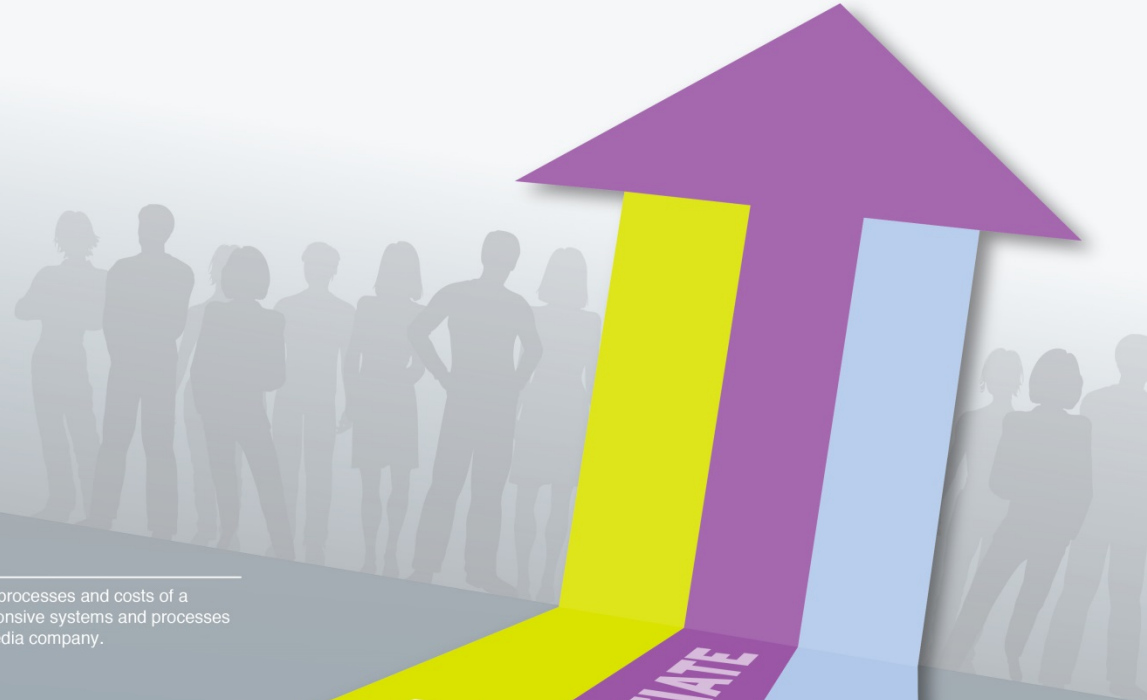
We will empower and engage employees by connecting their work directly to the audience and advertiser experience.



MONETIZE

DIFFERENTIATE

ENGAGE



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