



Postmedia Network Canada Corp.
Q2 F2015 Investor and Analyst
Conference Call
April 9, 2015

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.

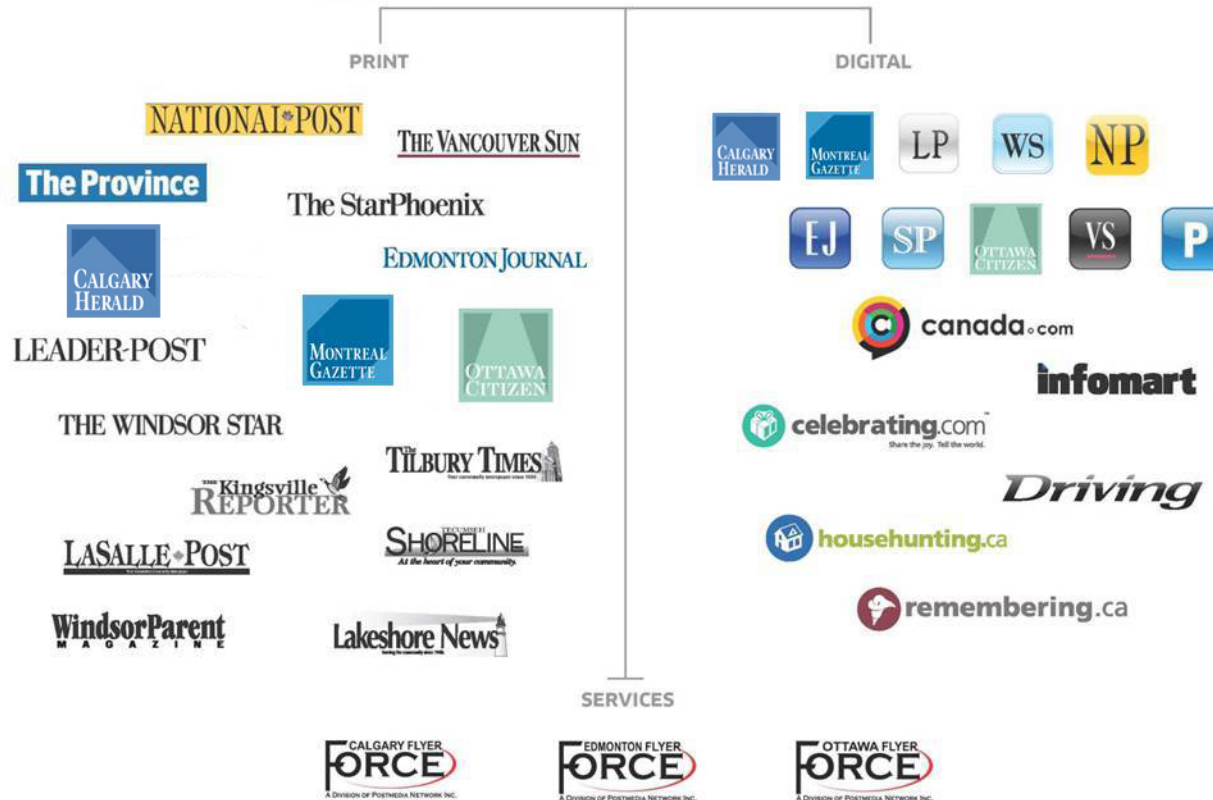
By their nature, forward-looking information and statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements in this presentation include statements with respect to the acquisition of certain Sun Media publications. Any “financial outlook” in this presentation, as defined by applicable securities legislation, has been approved by management of Postmedia and is included for the purpose of illustrating the materiality of the acquisition of the assets of QMI’s English language publications, and for no other purpose. 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: the possibility that the transaction will not close; the risks associated with the possible failure to realize the anticipated synergies in integrating the operations of the Sun Media publications with the operations of Postmedia; competition from digital and other forms of media; the effect of economic conditions and structural changes in the industry 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 labor disruptions; possible environmental liabilities, litigation and pension plan obligations; 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 & analysis for the year ended August 31, 2014, 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.

Given these risks and uncertainties, undue reliance should not be placed on any forward-looking information or forward-looking statements, which speak only as of the date of such information or statements. Other than as required by law, the Company does not undertake, and specifically declines, any obligation to update such information or statements or to publicly announce the results of any revisions to any such information or statements.

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

POSTMEDIA



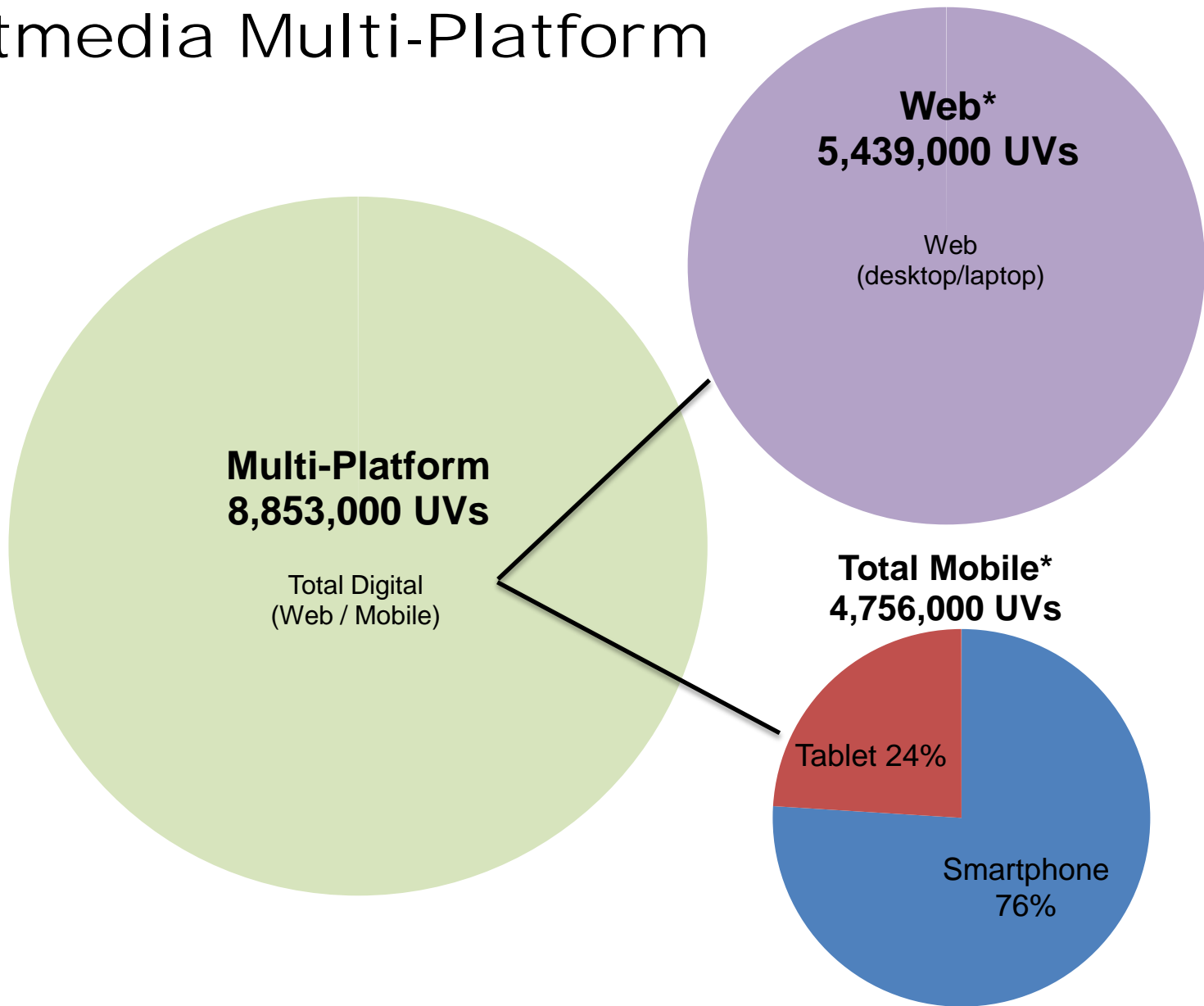
Our English-language paid daily newspapers have, in total, the highest weekly print readership when compared to other media organizations in Canada, reaching 3.9 million Canadians each week⁽¹⁾

Digital properties with 8.9 million average monthly unique visitors⁽²⁾, including newspaper sites ranked #1 in Canada that reach 38% of Canadian newspaper site visitors⁽²⁾

(1) Source: NADbank 2013, 10 owned Postmedia daily newspapers. Weekly print readership includes print or pdf replica

(2) Source: comScore, Multi-Platform Total Digital Population (Web + Mobile), Total Canada, All Locations, Q2F'15 (3 month Average Dec'14 & Jan/Feb'15)

Postmedia Multi-Platform



*Note: Duplication exists between Web and Mobile.

Source: comScore Multi-Platform Feb 2015 (3-month average Dec'14 & Jan/Feb'15). comScore MobileMetrix Feb 2015,, (3-month average Dec'14 & Jan/Feb'15)

Sun Media Acquisition Update

Newspapers



The London Free Press



The Intelligencer



The Chatham Daily News



Today

Miner & News



THE NIAGARA FALLS REVIEW

TODAY

NUGGET

PACKET & TIMES

THE SUN TIMES

THE DAILY OBSERVER

THE PETERBOROUGH EXAMINER

The Observer

Sault Star

Simcoe Reformer

The Standard

St. Thomas Times-Journal

BEACON HERALD

THE SUDBURY STAR

THE DAILY PRESS



the Daily Graphic

THE TRIBUNE

SENTINEL REVIEW



+ weekly community and specialty publications located in Ontario and Western Canada



Une compagnie de Quebecor Media



Digital

Printing

- On March 17, the Company completed its previously announced Rights Offering
- March 25, Postmedia received a no action letter from the Competition Bureau

Q2 Fiscal 2015 Highlights

Q2 Operating Results

- Consolidated revenue declined 10.5% relative to Q2 F2014.
- Revenue declines experienced in all print advertising categories.
- Digital revenue decreased \$0.6 million or 2.8% relative to Q2 F2014.
- Revenue declines were partially offset by expense decreases of 5.5% relative to Q2 F2014 resulting in a decrease in operating income before depreciation, amortization, impairment and restructuring of \$9.3 million to \$12.8 million.

Three Year Transformation Program

- Implemented additional cost reductions in Q2 that are expected to result in net annualized cost savings of \$19 million.
- Total net annualized cost reductions since the three year program was announced total approximately \$131 million or 19% of operating costs.

Q2 Fiscal 2015 – Financial Highlights

(In thousands of Canadian dollars)

For the three months ended
February 28, 2015 and 2014

For the six months ended
February 28, 2015 and 2014

	Q2 F2015	Q2 F2014	Variance favourable (unfavourable)	Q2 YTD F2015	Q2 YTD F2014	Variance favourable (unfavourable)
Revenues						
Print advertising	75,511	89,944	(14,433)	168,638	206,549	(37,911)
Print circulation	45,512	47,550	(2,038)	92,946	97,138	(4,192)
Digital	20,534	21,136	(602)	44,803	44,690	113
Other	3,888	3,854	34	8,572	8,085	487
	145,445	162,484	(17,039)	314,959	356,462	(41,503)
Operating expenses						
Compensation	66,510	72,048	5,538	120,659	146,006	25,347
Newsprint	6,001	7,402	1,401	13,176	16,522	3,346
Distribution	22,436	24,704	2,269	46,900	51,012	4,112
Production	11,208	9,023	(2,185)	22,570	18,125	(4,445)
Other operating	26,447	27,181	734	53,189	56,660	3,471
Operating income before depreciation, amortization, impairment and restructuring	12,843	22,126	(9,283)	58,465	68,137	(9,672)
Depreciation	9,515	11,169	1,654	21,547	24,396	2,849
Amortization	9,528	9,599	71	19,063	20,011	948
Impairment	-	-	-	1,843	-	(1,843)
Restructuring and other items	4,692	5,425	733	8,916	25,538	16,622
Operating income (loss)	(10,892)	(4,067)	(6,825)	7,096	(1,808)	8,904
Net loss attributable to equity holders of the Company	(58,218)	(25,290)	(32,928)	(68,473)	(37,095)	(31,378)

Q2 Fiscal 2015 – Factors Affecting Revenue

Change vs. Same Period Prior Year for Key Revenue Categories

Revenue Category	3 months ended May 31, 2014	3 months ended August 31, 2014	3 months ended November 30, 2014	3 months ended February 28, 2015
Local run-of-press revenue	-20%	-21%	-14%	-9%
National run-of-press revenue	-17%	-28%	-29%	-23%
Insert revenue	-5%	-4%	-13%	-15%
Digital revenue - Advertising	-10%	-10%	+3%	-10%
Digital revenue - Other	+9%	+5%	+4%	+11%
Print circulation	-1%	-3%	-4%	-4%

Factors affecting Q2 Fiscal 2015 Revenue

- The most significant declines were in the automotive, technology and travel categories which, on a combined basis, accounted for approximately 65% of print advertising declines.

Thank you

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