NEWS RELEASE

FP Newspapers Inc. reports third quarter 2017 results

Winnipeg, November 27, 2017 – FP Newspapers Inc. ("FPI") announces financial results for the quarter ended September 30, 2017. FPI owns securities entitling it to 49% of the distributable cash of FP Canadian Newspapers Limited Partnership ("FPLP").

Third quarter operating results of FPI

FPI reported net earnings of $0.1 million for the three months ended September 30, 2017, compared to net earnings of $0.1 million for the same period last year.

Third quarter operating results of FPLP

FPLP's revenue for the three months ended September 30, 2017 was $16.9 million, a decrease of $2.3 million or 12.1% from the same three months in the prior year. FPLP's print advertising revenues for the three months ended September 30, 2017 were $9.0 million, a $1.9 million or 17.4% decrease compared to the same period last year. FPLP's largest advertising revenue category, display advertising including colour, was $4.6 million, a decrease of $1.4 million or 23.1% from the same period in the prior year, primarily due to decreased spending in the local and national automotive, telecommunication and financial categories. Classified advertising revenues for the third quarter decreased by $0.2 million or 13.7% compared to the same period last year, primarily due to lower spending in the real estate, and automotive categories. Flyer distribution revenues decreased by $0.3 million or 8.4% compared to the third quarter in 2017, primarily due to a decrease in flyer volumes, partly offset by slightly higher rates.

Circulation revenues for the three months ended September 30, 2017 decreased by $0.2 million or 3.4% from the same period of 2016, with lower unit sales offsetting increased revenue from higher print subscription rates and new digital subscription revenues from the Winnipeg Free Press website. Digital revenues for the third quarter decreased by $0.1 million or 15.4%, primarily due to a decrease in on-line web ads. Commercial services revenue decreased by $0.1 million due to both fewer page counts printed for recurring customers as well as non-recurring print jobs.

Operating expenses for the three months ended September 30, 2017 were $16.3 million, a decrease of $2.2 million or 11.9% compared to the same quarter last year. Employee compensation costs for the third quarter decreased by $0.8 million or 9.8% 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 third quarter decreased by $0.2 million or 14.2% compared to the same period in the prior year, primarily due to lower volumes. Delivery expenses for the three months ended September 30, 2017 decreased by $0.3 million or 8.1%, primarily due to the cost savings related to the consolidation of the carrier depots and route realignments to improve efficiency. Other expenses decreased by $0.5 million or 12.8%, primarily from the loss of national commission costs with these efforts assumed by existing staff.

EBITDA[(1)] for the three months ended September 30, 2017 was $1.4 million compared to $1.8 million for the same period last year, a decrease of 22.6%. EBITDA[(1)] margin for the three months ended September 30, 2017 was 8.1%, compared to 9.2% in the same period last year.

FPLP's net earnings were $0.3 million for the three months ended September 30, 2017, compared to $0.4 million for the same period last year.

Outlook

Print advertising revenue year-over-year declines continued in the third quarter at roughly the same pace as experienced in the first two quarters. Revenue declines to date in the fourth quarter have been a little steeper than the levels experienced in the first three quarters. In the fourth quarter last year we did generate some non-recurring revenue from the Heritage Classic outdoor NHL hockey game played in Winnipeg as well as some non-recurring revenue from an international credit card brand.

Newsprint price increases were implemented by suppliers at the start of the fourth quarter which resulted in the price of newsprint increasing by approximately seven percent. The new price increases FPLP's expenses by approximately $0.4 million on an annualized basis.

On November 27, 2017 FPLP was given notice that effective immediately the free Metro weekday publication which was printed at FPLP's Derksen Printers business was ceasing publishing. FPLP is undertaking a review to determine the operational changes appropriate to minimize the financial impact to our businesses and accordingly the full financial effect cannot be estimated at this time. Annual gross revenues under the contract were approximately $0.86 million of which $0.24 million represented a newsprint recovery charge.

Additional Information

Additional information including financial statements and management's discussion and analysis can be found on the Company's website at www.fpnewspapers.com or on SEDAR at www.sedar.com.

Caution Regarding Forward-looking Statements

Certain statements in this news release 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", "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 FPI 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 on 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 17, 2017, which is available at www.sedar.com.

In addition, although the forward-looking statements contained in this news release are based upon assumptions that management of FPI and FPLP believe to be reasonable, such assumptions may prove to be incorrect.

Forward-looking statements speak only as of the date hereof and, except as required by law, FPI 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.

About FPI

FPI owns securities entitling it to 49% of the distributable cash of FP Canadian Newspapers Limited Partnership ("FPLP"). FPLP owns the Winnipeg Free Press, the Brandon Sun, and their related businesses, as well as the Canstar Community News division, the publisher of six community newspapers in the Winnipeg region, The Carillon in Steinbach with its related commercial printing operations and the Carberry News Express weekly publication. The Winnipeg Free Press publishes six days a week for delivery to subscribers and single copy sales, and publishes a single copy edition on Sundays. Vividata, a third party research firm, which measures newspaper readership across Canadian markets, estimates that weekly 78% of all Winnipeg adults read the print or digital edition of the Winnipeg Free Press. The Brandon Sun publishes six days a week, serving the region with an average circulation of approximately 10,050 copies. Canstar Community News publishes weekly with an average circulation of approximately 200,000 copies. The businesses employ approximately 410 full-time equivalent people in Winnipeg, Brandon, Steinbach and Carberry, Manitoba. Further information can be found at www.fpnewspapers.com and in disclosure documents filed by FP Newspapers Inc. with the securities regulatory authorities, available at www.sedar.com.

Non-IFRS financial 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 and 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 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. FPLP's method of calculating EBITDA is detailed in the Management's Discussion and Analysis for the quarter ended September 30, 2017 on FPI's website www.fpnewspapers.com or on SEDAR at www.sedar.com.

For further information please contact:

Daniel Koshowski, CFO
FP Newspapers Inc.
Phone (204) 771-1897

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

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Equity interest from FP Canadian Newspapers Limited Partnership Class A limited partner units	$ 149	$ 196	$ 1,256	$ 1,326
Write-down of investment in FP Canadian Newspapers Limited Partnership Class A limited partner units	-	-	-	(6,200)
Administration expenses	(39)	(38)	(104)	(143)
Other income	1	-	1	1
Net earnings (loss) before income taxes	111	158	1,153	(5,016)
Current income tax recovery (expense)	28	134	(147)	(47)
Deferred income tax (expense)	(68)	(202)	(183)	(280)
Net earnings (loss) for the period	$ 71	$ 90	$ 823	$ (5,343)
Items that will not be reclassified to net earnings:				
Equity interest of other comprehensive income (loss) from FP Canadian Newspaper Limited Partnership	356	240	(705)	(1,191)
Deferred income tax recovery (expense)	(96)	(65)	191	321
Comprehensive income (loss) for the period	$ 331	$ 265	$ 309	$ (6,213)
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	$ 0.010	$ 0.013	$ 0.119	$ (0.774)

FP Canadian Newspapers Limited Partnership

Condensed Consolidated Income (Loss) Statements and Statements of Comprehensive Income (Loss)

(unaudited, in thousands of Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Revenue				
Print advertising	$ 9,017	$ 10,899	$ 30,174	$ 34,831
Circulation	6,166	6,385	18,372	18,673
Commercial printing	1,029	1,085	3,199	3,509
Digital	529	626	1,629	1,968
Promotion and services	152	214	532	643
TOTAL REVENUE	16,893	19,209	53,906	59,624
Operating expenses				
Employee compensation	7,695	8,526	23,502	26,125
Newsprint and other paper	1,449	1,670	4,555	5,070
Delivery of newspapers	3,226	3,509	9,796	10,606
Other	3,119	3,577	9,980	10,692
Depreciation and amortization	774	1,058	2,353	3,188
Restructuring charge	42	168	301	306
Operating income before impairment	588	701	3,419	3,637
Impairment of goodwill	-	-	-	(12,700)
OPERATING INCOME (LOSS)	588	701	3,419	(9,063)
Other income	26	18	67	57
Finance costs	(309)	(318)	(923)	(988)
NET INCOME (LOSS) FOR THE PERIOD	$ 305	$ 401	$ 2,563	$ (9,994)
Items that will not be reclassified to net income:				
Remeasurements for defined benefit pension plan	727	489	(1,439)	(2,430)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 1,032	$ 890	$ 1,124	$ (12,424)