Fairfax Media

Annual Report 2009

ABN 15 008 663 161

Building on our strengths

Australasia's
most diversified
media company

434 publications
284 websites
15 radio stations
24 printing centres

Annual General Meeting

The annual general meeting will be held at **10.30am on Tuesday, 10 November 2009** at the Four Seasons Hotel, 199 George Street, Sydney NSW 2000.

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Chairman's Report

Faced with some of the toughest trading conditions in advertising markets ever experienced in Australia, particularly during the second half of the financial year, the Board and management team have, I believe, delivered the best possible result in these difficult circumstances.

On an underlying trading basis, earnings before depreciation, interest and tax total $605.0 million, 27.2% below the level reported last year.

In this climate, the creditable result reflects the Board undertaking the investments in Fairfax Digital in Australia and the acquisitions of Trade Me in New Zealand, Rural Press and Southern Cross Radio and the earnings that these companies have contributed to our overall results.

When taking into consideration the Impairment and Significant Items charges that are further detailed in the Accounts, the Company reported a net loss after tax of $380.0 million. The masthead, licences and goodwill impairment charges which totalled $513 million have been closely reviewed by the Board and take into consideration the fall in value of our newspaper and other businesses as a result of the present environment

As shareholders may also be aware, we announced in May this year that Directors', the CEO and generally direct reports to the CEO have accepted fee and salary freezes. This position will continue until economic conditions improve.

When I reported to you last year, I wrote extensively about the steps that we had taken to better position ourselves as one of the world's pre-eminent media companies. Some years ago, the Board made a conscious decision to diversify the Company outside the mainstream revenue provided by the Australian Financial Review, Sydney Morning Herald, The Age and smaller regional papers we owned. As a result of this diversification, we have largely withstood the downturn in traditional media that has been experienced throughout the global market.

Today, as a result of the decisions made by our Board and management, we are one of the most diversified media companies globally, with a range of media assets that complement each other. We are a strong, multi-disciplined media company with some of the finest media assets in the world.

In future years, the way we distribute our very valuable content will continue to evolve and, as a result, enhance shareholder wealth which we strive to achieve as a team.

Over this past year we have also undertaken a number of steps to strengthen the balance sheet of the Company, including:

- The successful raising of $624 million in additional equity
- The sale of the Southern Star TV Production and Distribution business for $108.4
- Announcing in December 2008 a temporary reduction in the dividend payout ratio
- Ensuring that we maintain strong operating cash flows.

These actions have reduced the net debt of the Company by $734 million over the financial year.

In December 2008, the Board addressed the pressures created by the economic decline and announced the Company would temporarily reduce the dividend payout ratio to approximately 20% of underlying earnings in order to preserve capital and facilitate debt reduction.

Chairman's Report

During the year, the Company has distributed dividends representing over 16% of earnings, excluding impairment and significant items. In view of the economic environment, Directors have resolved to retain funds in the business and not pay a final dividend. The Board will continue to look very closely at the dividend issue but at this stage intends to retain the existing payout ratio until economic and financial conditions permit a change.

The Board conducts a review of its structure, composition and performance annually. The Board may seek external advice to assist in the review process. During this financial year a review of Board performance was conducted with the assistance of an external consultant and the results and recommendations were discussed at the Board and various recommendations implemented.

During the year we also had a change to the Chief Executive Officer and Managing Director of the Company following the resignation of David Kirk in December 2008.

In his more than three years in the role, David had been an outstanding CEO. He and his team, in partnership with the Board, led the complete re-positioning of the company, from a metropolitan newspaper publishing business to a diversified media business. He represented the interests of Fairfax Media externally with vigour, good humour and passion. I and the Board thank David for his valuable contribution.

Brian McCarthy was appointed Chief Executive Officer and Managing Director. Brian is an excellent choice given his deep and extensive media experience and highly successful track record as Managing Director of Rural Press Limited for 13 years. Brian is the right person with the right experience at this time to run our diverse Company.

Ms Julia King will be retiring from the Board at the conclusion of the upcoming Annual General Meeting. We are very grateful for her valued contributions during her 14 years as a Director and wish her all the best in the future.

I would like to thank my fellow Board members for their continued support during the year and congratulate Roger Corbett on his appointment as Deputy Chairman of the Company. Roger is Chairman of the Audit and Risk Committee and an excellent Director. His contributions at a Board level have been invaluable. Both Roger and I will be putting ourselves forward for re-election at the upcoming Annual General Meeting and we look forward to your continued support.

I also want to thank our staff for their dedication and commitment to the Company and shareholders.

Shareholders can be assured that we take our environmental responsibilities seriously. A sub-committee of the Board has been established to monitor and direct our efforts in environmentally friendly practices.

A great deal has already been achieved within the Company to create an environmentally friendly culture. Our new office buildings located in Sydney and soon in Melbourne will have the highest environmental ratings possible. We encourage our staff to utilise public transport and cycling to work by establishing specific bus arrangements and providing secure bicycle facilities in our offices and we have a number of initiatives planned to further reduce our carbon footprint.

In closing I would like to stress that your Board and management team is committed to growing shareholder value and we are confident that our unique mix of media assets, excellent management team and ongoing focus on operational excellence will be of benefit to shareholders in the years to come.

Ronald Walker

Ronald J. Walker, AC CBE
Chairman

Chief Executive Officer's Report

It is a great pleasure to report to Fairfax Media Limited shareholders in my first year as Chief Executive Officer and Managing Director.

Fairfax Media is Australasia's most diversified media company with 434 publications, 284 websites, 15 radio licences and 24 printing centres in Australia, New Zealand and the United States.

From this base of quality media assets, it is our goal to provide readers, customers, employees and shareholders with all the benefits of being associated with Fairfax Media.

Over the past financial year, the Company has faced a business environment unprecedented in its long history. Three factors have had a major impact on Fairfax:

- the speed of the economic slowdown, especially in the second half
- cuts to discretionary advertising
- responding to the online challenges

Even with these factors, the underlying earnings before depreciation, interest and tax (EBITDA) of $605 million was slightly above market consensus. The net loss after tax of $380 million included impairment and significant items. Operating cash flow of over $384 million reflected the fundamental strengths of the Company.

Despite the poor market conditions, we recorded a creditable result, and our achievements are a reflection of the calibre of our management and staff. We place on record our appreciation for their contribution to this result.

During the 2009 year we have undertaken major initiatives to strengthen Fairfax Media for the future.

These initiatives were first, to strengthen the balance sheet of the Company. A decision was taken in late February 2009 to raise equity and to use the proceeds from the raising to pay down a substantial portion of the syndicated Australian Dollar banking facility that Fairfax Media had in place. The 3 for 5 accelerated non-renounceable pro-rata entitlement offer was successfully completed in April 2009, raising a total of $624.6 million.

These funds, combined with the sale of the Southern Star business and the operating cash flows generated this year, has reduced net debt to $1.78 billion, being $734 million lower than the level at June 2008.

Second, a new management structure was implemented.

This new structure provides for improved business opportunities by grouping operations around core functions such as metropolitan, regional and community mastheads, printing, business media, and online. The structure facilitates improvement in the way print and online work together, both commercially and editorially, for the benefit of our audiences and customers.

The attitudes and culture of our people are very important and this new structure, combined with our excellent Management Development Programme, allows us to mentor, train and develop our employees to meet the challenges of the media environment.

Third, a number of new business opportunities were pursued. For example, we have now bundled the sales of both our print and online metropolitan classifieds together in one team allowing our sales staff to sell both an online and/or print advertisement. We made these changes following feedback from customers who wanted one sales relationship across our print and online products.

In regional markets, we started the roll-out of our My Career and Drive classified brands across our mastheads and online sites. This followed the successful integration of Domain in regional markets the previous year.

Chief Executive Officer's Report

We announced the launch of a website, the nationaltimes.com.au to showcase opinion and commentary of Australia's political and national affairs. This website revives The National Times brand, which was synonymous with intelligent and thought-provoking journalism. It will feature the best of our opinion writers, commentary and analysis, coupled with guest commentaries from politicians, academics and other public figures.

To further strengthen and broaden national coverage of federal politics, we have merged the Canberra bureau of our metropolitan newspapers The Sydney Morning Herald and The Age. While each masthead has maintained a small dedicated staff, a team of reporters working across both papers has been created to enrich our coverage.

Fourth, the cost base of the Company needed to be lower and a number of wide-ranging cost initiatives were undertaken. By utilising technology, changing business processes and a programme of continuous improvement, we have successfully reduced costs during the year by 4.3%. In the second half, costs are down 7.5% on the previous corresponding period on a like-for-like basis.

These are but a few examples of business processes implemented in Fairfax Media Limited in the 2009 year.

The impact of the economic downturn had a greater impact upon our business units during the second half of the year,

The publishing operations, which make up approximately 80% of the Company's revenues, were impacted by lower classified and display advertising revenues. This flowed through to lower EBITDA.

In the online businesses. Fairfax Digital increased revenue with EBITDA down slightly as we continued to invest in new websites. In New Zealand the TradeMe business increased revenue and EBITDA.

Revenue and EBITDA for the Printing and Broadcasting business units were down on a like-for-like basis.

Across the Company we continue to focus on the occupational health and safety of staff. Our work safety programmes and resources have reduced lost time injuries during the year. In the year under review we assisted numerous communities, organisations and charities through support, sponsorships and partnerships.

Importantly, the Company continues to invest in new technology in line with the needs of the business.

In conclusion, I believe the broad range of initiatives undertaken, the quality of our media assets, our diversified business base and the commitment of our management and staff places Fairfax Media in a wonderful position to benefit from any improvement in economic conditions.

Brian McCarthy
Chief Executive Officer and Managing Director

Board of Directors

Board of Directors

MR RONALD WALKER, AC CBE

NON-EXECUTIVE CHAIRMAN, APPOINTED TO THE BOARD 4 FEBRUARY, 2003

Mr Walker has been prominent in public life for more than 40 years. He was founder and chairman of one of Australia's largest private chemical companies between 1963 and 1976, was co-founder, director and major shareholder of Hudson Conway Limited, and was co-founder and major shareholder of Crown Casino Limited, and WAM Interactive Limited.

Mr Walker served two terms as Lord Mayor of Melbourne from 1974 to 1976.

Mr Walker is currently the Chairman, Australian Grand Prix Corporation; Member, Formula One Commission UK; Director, Football Federation Australia; Chairman, Microsurgery Foundation at St Vincent's Hospital and Director, Australian Tissue Engineering Centre at St Vincent's Hospital. He has served Australia in many capacities over many years in public life including: Chairman, Cancer Institute; Chairman, Heart Foundation Appeal; Chairman, Save the Children Fund; Chairman, Aborigines Advancement League; Chairman, Australian Ballet Foundation; Chairman, Australia Business Arts Foundation; Commissioner, Melbourne 1996 Olympic Games Bid; Member, Sydney 2000 Olympics Bid; Trustee, National Gallery of Victoria for nine years; Founding Chairman, Victorian Major Events Company for ten years; and Chairman, Melbourne 2006 Commonwealth Games.

In 1977 Mr Walker was made a Commander of the Order of the British Empire (CBE) for service to the Commonwealth. He became an officer of the Order for Australia (AO) for service to the community 1987, and was made a Companion of the Order of Australia (AC) in 2003 for services to business, arts, tourism and the community.

MR ROGER CORBETT, AO

NON-EXECUTIVE DIRECTOR, APPOINTED TO THE BOARD 4 FEBRUARY, 2003

Mr Corbett has been involved in the retail industry for more than 40 years. In 1984, Mr Corbett joined the Board of David Jones Australia as Director of Operations. In 1990, he was appointed to the Board of Woolworths Limited and to the position of Managing Director of BIG W. On 1 January 1999, Mr Corbett was appointed Chief Executive Officer of Woolworths Limited and retired from that position at the end of September 2006. Mr Corbett is a Director of the Reserve Bank of Australia, a Director of Wal-Mart Stores and a Director of PrimeAg Australia Limited. He is also the President of the University of Sydney Medical Foundation; Chairman of the Council and Member of the Executive of Shore School; Chairman of the Salvation Army Advisory Board; a Director of Outback Stores; a member of the Dean's Advisory Group of the Faculty of Medicine at the University of Sydney; a member of the Advisory Committee of the Australian Graduate School of Management; and Chairman of the Advisory Committee of the Westmead Children's Hospital.

MR DAVID EVANS

NON-EXECUTIVE DIRECTOR, APPOINTED TO THE BOARD 22 JUNE, 2005

Mr Evans has over three decades of experience in the television industry in Australia, the US and the UK. Mr Evans is also on the Board of Directors of Village Roadshow Limited and BSkyB in the UK. He was President and CEO of Crown Media Holdings, Inc, the owner of Hallmark Channels in the USA. Mr Evans has also served as Executive Vice President of News Corporation, and President and Chief Operating Officer of Fox Television, also in the USA.

MR JOHN B FAIRFAX, AO

NON-EXECUTIVE DIRECTOR, APPOINTED TO THE BOARD 9 MAY, 2007

Mr John B Fairfax was a Board member of Rural Press from 1988 and Chairman from 1990 until the merger with Fairfax Media Limited. He has significant experience as a company director and in the media and agricultural industries. He has been Chairman of Marinya Media Pty Limited since 1988, Councillor of the Royal Agricultural Society of New South Wales since 1990, Councillor since 1979, and President since 1993 of The Girls and Boys Brigade, Patron since 2008 of The Red Room Company Limited and Trustee of Reuters Founders Share Company Limited since 2005.

Previously Mr Fairfax was Deputy Chairman of Fairfax (then John Fairfax Limited) from 1985 – 87 and Director from 1979 – 87, Director of David Syme & Co Ltd 1981 – 87, Chairman of the Media Council of Australia from 1980 – 82, Chairman of the Newspaper Advertising Bureau 1985 – 87, Chairman of the Australian section of the Commonwealth Press Union 1987 – 92, Director of St Lukes' Hospital 1973 – 76 and also 1981-95, Chairman of Cambooya Investments Limited 1991 – 2002, Director of Australian Rural Leadership Foundation Limited 1992 – 98, Director of Crane Group Limited 1996 – 2003 and a Director of Westpac Banking Corporation Limited 1996 – 2003.

Board of Directors

MR NICHOLAS J FAIRFAX

NON-EXECUTIVE DIRECTOR, APPOINTED TO THE BOARD 9 MAY, 2007

Mr Nicholas Fairfax was a Director of Rural Press Limited from August 2005 until 9 May, 2007. He has been a Director of Marinya Media Pty Ltd since 2005, a Director of Cambooya Pty Ltd since 2002 and a Director of the Vincent Fairfax Family Foundation since 2004. Mr Fairfax is a Director of Tickets Holdings Pty Limited, Chairman of Elaine Education Pty Limited and a member of UTS Faculty of Business Executive Council.

MRS JULIA KING

NON-EXECUTIVE DIRECTOR, APPOINTED TO THE BOARD 17 JULY, 1995

Mrs King has had more than 30 years' experience in media marketing and advertising. She was Chief Executive of the LVMH fashion group in Oceania and developed the businesses in this area. Prior to joining LVMH she was the Managing Director of Lintas Advertising. She has been on the Australian Government's Task Force for the restructure of the Wool Industry, the Council of the National Library and the Heide Museum of Modern Art. Mrs King is a Director of Servcorp Australian Holdings Pty Limited, Opera Australia and Carla Zampatti Limited.

MR BRIAN MCCARTHY

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR, APPOINTED TO THE BOARD 10 DECEMBER, 2008

Mr McCarthy commenced as CEO and Managing Director of Fairfax Media Limited in December 2008. Prior to joining the Board of Fairfax Media Limited, Mr McCarthy occupied the position of Deputy Chief Executive Officer and Chief Executive Officer Australia, Fairfax Media Limited from May 2007 to December 2008. Mr McCarthy was the Managing Director and CEO of Rural Press Limited from 1994 until its merger with Fairfax Media Limited in 2007.

Mr McCarthy has extensive experience in the media industry. He joined Regional Publishers in 1976 and later became General Manager of Upper Hunter Publishers Pty Limited. Mr McCarthy was the General Manager of The Maitland Mercury between 1984 and 1987 and General Manager - Special Projects for Rural Press Limited between 1987 and 1994. Mr McCarthy was a Director of Pacific Area Newspaper Publishers' Association from 1993-2001. He has been a Director of The Newspaper Works Limited since 2006, a newspaper industry body.

MR ROBERT SAVAGE

NON-EXECUTIVE DIRECTOR, APPOINTED TO THE BOARD 25 JUNE, 2007

In addition to his particular expertise in the management of information technology and systems, Mr. Savage brings to the Fairfax Media Board his experience as a senior executive in Australia and the Asian region, including experience in people management and organisation effectiveness issues and several years experience as a Non-Executive Director and Chairman across a wide range of Australian companies. Mr Savage was formerly Chairman and Managing Director of IBM Australia and New Zealand. He is Chairman of David Jones Limited and Perpetual Limited, was Chairman of Mincom Limited until sold in May 2007, and was a Director of Smorgon Steel Group Limited until August, 2007, when it merged with OneSteel Limited.

MR PETER YOUNG, AM

NON-EXECUTIVE DIRECTOR, APPOINTED TO THE BOARD 16 SEPTEMBER, 2005

Over the last thirty years Mr Young has been an investment banking executive in Australia, New Zealand and the U.S.A.

Until recently he served as Chairman of Investment Banking for ABN AMRO in Australia and New Zealand. From 1998 to 2002, Mr Young was Executive Vice Chairman, ABN AMRO Group (Australia and New Zealand) and Head of Telecommunications, Media & Technology Client Management for Asia Pacific. He is currently the Chairman of Transfield Services Infrastructure Fund, Chairman of the AIDA Fund Limited, and Chairman of Delta Electricity. He is involved in several other community, environmental and artistic activities.

Directors' Report

The Board of Directors presents its report together with the financial report of Fairfax Media Limited (the Company) and of the consolidated entity, being the Company and its controlled entities for the period ended 28 June 2009 and the auditor's report thereon.

Directors

The Directors of the Company at any time during the financial year or up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated:

MR RONALD WALKER, AC, CBE

Non-Executive Chair

MR BRIAN MCCARTHY

Chief Executive Officer and Managing Director
Appointed to the Board on 10 December 2008

MR ROGER CORBETT, AO

Non-Executive Director

MR DAVID EVANS

Non-Executive Director

MR JOHN B FAIRFAX, AO

Non-Executive Director

MR NICHOLAS FAIRFAX

Non-Executive Director

MRS JULIA KING

Non-Executive Director

MR ROBERT SAVAGE

Non-Executive Director

MR PETER YOUNG, AM

Non-Executive Director

MR DAVID KIRK, MBE

Executive Director and Chief Executive Officer
Resigned as CEO and from the Board on 5 December 2008.

A profile of each Director at the date of this report is included on pages 6 and 7 of this report.

ALTERNATE DIRECTOR

Mr Patrick Joyce, Investment Director at Marinya Media Pty Limited, is an alternate Director for Messrs John B and Nicholas Fairfax.

Company Secretary

The Company Secretary, Ms Gail Hambly, was appointed to the position of Group General Counsel and Company Secretary in 1993. Before joining Fairfax Media Limited she practised as a solicitor at a major law firm. She has extensive experience in commercial, media and communication law. Ms Hambly is a member of the Media and Communications Committee and the Privacy Committee for the Law Council of Australia, a member of the Advisory Board for the Centre of Media and Communications Law at the Melbourne Law School and a member of the Institute of Chartered Secretaries and Administrators and Chartered Secretaries Australia. Ms Hambly is also a Director of theatre company, Company B Limited. She holds degrees in Law, Economics, Science and Arts.

Corporate structure

Fairfax Media Limited is a company limited by shares that is incorporated and domiciled in Australia.

Principal activities

The principal activities of the consolidated entity during the course of the financial year were publishing of news, information and entertainment, advertising sales in newspaper, magazine and online formats, and radio broadcasting. Television production and distribution was a principal activity up until the completion of the sale of the Southern Star Group in April 2009.

There were no significant changes in the nature of the consolidated entity during the year other than the matters set out as significant changes in the state of affairs below.

Consolidated result

The consolidated loss attributable to the consolidated entity for the financial year was $380,050,000 (2008 Profit: $386,878,000).

Directors' Report

Dividends

A final 75% franked dividend of 10 cents per ordinary share and debenture in respect of the year ended 29 June 2008 was paid on 2 October 2008. This dividend was shown as approved in the previous annual report.

An interim 75% franked dividend of 2 cents per ordinary share and debenture in respect of the year ended 28 June 2009 was paid on 19 March 2009.

The Board has not approved the payment of a final dividend in respect of the year ended 28 June 2009.

Distributions to holders of Stapled Preference Securities (SPS) were paid as follows: $4.8138 per share paid 31 October 2008 and $3.3580 per share paid 30 April 2009.

Review of operations

Revenue for the Group decreased 11% to $2,610 million generating a net loss after tax of $380.1 million (2008: profit $386.9 million). Earnings per share decreased to a loss of 21.6 cents (2008: profit 22.9 cents).

Further information is provided in the Management Discussion and Analysis Report on page 32.

Significant changes in the state of affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- On 20 August 2008, the Company agreed to sell Southern Star Group Limited's 75% interest in UK-based Carnival Film & Television Ltd to NBC Universal together with certain library and distribution rights of Carnival productions for a total sale price of approximately £22.3 million.
- On 20 January 2009, the Company agreed to sell the Southern Star television production and distribution business to Endemol for $75 million plus an earn-out. The sale completed on 6 April 2009. The Company retained ownership of Southern Star Factual, the UK-based natural history, science and documentary production business.
- On 3 April 2009, the Company successfully completed the 3 for 5 accelerated non-renounceable pro-rata entitlement offer that was announced in February 2009, raising a total of $624.6 million. The Company used the proceeds of the entitlement offer to pay down a substantial part of a syndicated bank facility maturing in 2011 and 2012.
- On 27 May 2009, Fairfax Media Group Finance Pty Limited settled on the purchase and cancellation of $32.3 million of its fixed rate A$ medium term notes due 27 June 2011.

Likely developments and expected results

The consolidated entity's prospects and strategic direction are discussed in the Chairman's and the Chief Executive Officer's reports on pages 2 – 5 of this report.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation and performance

The Company commissions regular independent expert audits in respect of environmental compliance. Recommendations resulting from these audits and reports have been, or are being, implemented. No material non-compliance with environmental regulation has been identified relating to the 2008-09 financial year.

The consolidated entity's level of carbon emissions for the 2008-09 financial year is expected to be under the threshold level that would require the Company to report under the National Greenhouse and Energy Reporting legislation this year. The Company expects that it will need to report on the Group's total carbon emissions in the 2009-10 financial year. The Group's main source of carbon emissions overall is from electricity consumption at its larger sites. The relocation of staff from the Darling Park headquarters to One Darling Island in Pyrmont, a new, more energy efficient building during the last financial year, has resulted in reduced emissions. Additional efficiencies will be realised when The Age relocates to a new, more energy efficient building in the Southern Cross Station precinct in Melbourne at the end of calendar 2009. Other reductions in carbon emissions have been realised with the closure of certain printing facilities.

Directors' Report

Events after balance date

There have not been any after balance date events.

Remuneration Report

A remuneration report is set out on pages 14 – 22 and forms part of this Directors' Report.

Directors' Interests

The relevant interest of each Director in the equity of the Company, as at the date of this report is:

Ordinary shares	Opening Balance	Acquisition	Disposals	Closing Balance	Post Year End Acquisitions	Post Year End Disposals	Post Year End Balance
RJ Walker	1,035,251	969,610	-	2,004,861	-	-	2,004,861
RC Corbett	40,091	59,115		99,206	-	-	99,206
D Evans	52,448	109,934	-	162,382	-	-	162,382
JB Fairfax	216,482,782	18,943,999	-	235,426,781	-	-	235,426,781
N Fairfax	2,412,351	1,480,130	-	3,892,481	-	-	3,892,481
JM King	46,068	21,135	-	67,203	-	-	67,203
DE Kirk *	1,110,791	857,489	1,480,703	487,577	-	-	487,577
BK McCarthy	1,755,326	953,196	350,000	2,358,522	-	-	2,358,522
R Savage	19,996	27,903	-	47,899	-	-	47,899
P Young	21,415	109,702	-	131,117	-	-	131,117
TOTAL	222,976,519	23,532,213	1,830,703	244,678,209		-	244,678,209

*The closing and post year end balance represents the number of shares held by Mr Kirk at 5 December, 2008, when he resigned from the Board and forfeited unvested shares in the employee share plans.

No Director holds options over shares in the Company.

RJ Walker and P Young acquired stapled preference shares of 3,338 and 630 respectively during the period.

Directors' meetings

The following table shows the number of Board and Committee meetings held during the financial year ended 28 June, 2009 and the number attended by each Director or Committee member.

	MEETINGS ***							
			Audit & Risk		Nominations		Personnel Policy and Remuneration	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
R J Walker**	11	11	6	6	2	2	6	5
R C Corbett	11	10	6	6	-	-	6	5
D Evans	11	9	-	-	2	2	6	6
JB Fairfax	11	10	-	-	-	-	6	6
NJ Fairfax	11	11	6	6	2	2	-	-
JM King	11	11	-	-	2	2	-	-
DE Kirk*	3	3	-	-	-	-	-	-
BK McCarthy*	8	7	-	-	-	-	-	-
R Savage	11	9	6	5	-	-	-	-
P Young	11	11	6	6	-	-	6	6

* Mr Kirk and Mr McCarthy attend the Audit & Risk and Personnel Policy & Remuneration Committee meetings as invitees of the Committees.

** Mr Walker, Chairman, is an ex officio member of all Board committees.

*** The number of meetings held refers to the number of meetings held while the Director was a member of the Board or Committee.

Options

There are no unissued shares under option as at the date of this report. No options over unissued shares were granted during or since the end of the financial year. There were no movements in options during the financial year. No shares were issued during or since the end of the financial year as a result of the exercise of an option.

Indemnification and insurance of officers and auditors

The Directors of the Company and such other officers as the Directors determine, are entitled to receive the benefit of an indemnity contained in the Constitution of the Company to the extent allowed by the Corporations Act 2001, including against liabilities incurred by them in their respective capacities in successfully defending proceedings against them.

During or since the end of the financial year, the Company has paid premiums under contracts insuring the Directors and officers of the Company and its controlled entities against liability incurred in that capacity to the extent allowed by the Corporations Act 2001. The terms of the policies prohibit disclosure of the details of the liability and the premium paid.

Each Director has entered into a Deed of Indemnity and Access which provides for indemnity against liability as a Director to the extent allowed by the law.

There are no indemnities given or insurance premiums paid during or since the end of the financial year for the auditors.

No officers are former auditors

No officer of the consolidated entity has been a partner of an audit firm or a Director of an audit company that is the auditor of the Company and the consolidated entity for the financial year.

Directors' Report

Non-audit services

Under its Charter of Audit Independence, the Company may employ the auditor to provide services additional to statutory audit duties where the type of work performed and the fees for services do not impact on the actual or perceived independence of the auditor.

Details of the amounts paid or payable to the auditor, Ernst & Young, for non-audit services provided during the financial year are set out below. Details of amounts paid or payable for audit services are set out in Note 34 to the financial statements.

The Board of Directors has received advice from the Audit & Risk Committee and is satisfied that the provision of the non-audit services did not compromise the auditor independence requirements of the Corporations Act 2001 because none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration under section 307C of the Corporations Act 2001 is on page 13 of this report.

During the financial year, Ernst & Young received or were due to receive the following amounts for the provision of non-audit services:

Subsidiary company and other audits required by contract or regulatory or other bodies:

- Australia $272,840
- Overseas $268,946

Other assurance and non-assurance services:

- Australia $119,814
- Overseas $24,311

Rounding

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts contained in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed on behalf of the Directors in accordance with a resolution of the Directors.

Ronald Walker
Chairman

Brian McCarthy
Chief Executive Officer and Managing Director

1 September, 2009

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Auditor's Independence Declaration to the Directors of Fairfax Media Limited

In relation to our audit of the financial report of Fairfax Media Limited for the period 30 June 2008 to 28 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Christopher George
Partner
1 September 2009

Remuneration Report

1. Introduction

This report forms part of the Company's 2009 Directors' Report and describes the Fairfax Group's remuneration arrangements for Directors and prescribed senior executives in accordance with the requirements of the Corporations Act 2001 and Regulations. The report also contains details of the equity interests of Fairfax Directors and prescribed senior executives.

2. Personnel Policy and Remuneration Committee

The Board has a formal Charter for the Personnel Policy and Remuneration Committee (PPRC) which prescribes the responsibilities, composition and meeting rules of the Committee. Under the Charter, the Committee must be comprised of a majority of non-executive Directors who are independent. The members of the PPRC are Peter Young (Chairman), Roger Corbett, David Evans and John B Fairfax. All members except John B Fairfax are independent. The PPRC met six times during the year.

The Committee's primary responsibilities are to:

(a) review and approve Fairfax employee remuneration strategies and frameworks in consultation with the CEO;

(b) oversee the development and implementation of employee remuneration programs, performance management and succession planning with the goal of attracting, motivating and retaining high quality people, in consultation with the CEO;

(c) review and recommend to the Board for approval the goals and objectives relevant to the remuneration of the CEO, assist the Board to evaluate the performance of the CEO in light of those goals and objectives, and to recommend to the Board the CEO's remuneration (including incentive payments) based on this evaluation;

(d) review the principles to apply to contractual terms of employment for direct reports to the CEO including base pay, incentives, superannuation arrangements, retention arrangements, termination payments, performance goals and performance based evaluation procedures and succession plans;

(e) make recommendations to the Board on Directors' fees and review and recommend the aggregate remuneration of non-executive Directors to be approved by shareholders; and

(f) review the Group's framework for compliance with occupational, health, safety and environmental regulation and its performance against the framework.

The CEO attends PPRC meetings but not when his own remuneration arrangements are being discussed.

The Committee commissions reports from independent remuneration experts on market relativities and other matters relating to remuneration practices to assist it with setting appropriate remuneration levels and processes.

3. Remuneration of Non-Executive Directors

Under the Company's Constitution, the aggregate remuneration of non-executive Directors is set by resolution of shareholders. The aggregate was last reviewed by shareholders at the 2007 Annual General Meeting and set at $2,000,000 per annum. Within this limit, the Board annually reviews Directors' remuneration with advice from the PPRC. The Board also considers survey data on Directors' fees paid by comparable companies, and expert advice commissioned from time to time.

Fees to non-executive Directors reflect the demands and the responsibilities of each Director including service on Board Committees. By resolution of the Board, until suspension of the Employee Share Plans in May 2009, each non-executive Director has sacrificed at least 25% of his or her annual Director's fees for the purchase of shares in the Company's Employee Share Plan. Under this Plan, shares are purchased on-market by an independent trustee that holds the shares on behalf of the Directors and employees who have salary sacrificed to participate in the Plan. Share acquisition dates are pre-set by the trustee. For the 2009-10 financial year, the proportion of the Directors' fees sacrificed for share purchases may change depending on the provisions of the new legislation to govern employee share plans foreshadowed in the May 2009 Federal Budget. Directors have resolved that there will be no increase in directors fees for the 2009-10 year.

At the date of this report, the Board has set Board and committee fees as follows:

	$
Chairman of the Board *	336,000
Other Non-Executive Director	120,000
Chair of Audit & Risk Committee	40,000
Members of Audit & Risk Committee	30,000
Chair of Personnel Policy & Remuneration Committee	30,000
Members of Personnel Policy & Remuneration Committee	20,000
Chair of the Nominations Committee	30,000
Members of Nominations Committee	20,000

* Ronald Walker, as Chairman of the Board, does not receive committee fees.

The fees above do not include statutory superannuation payments.

3.1 RETIREMENT BENEFITS FOR NON-EXECUTIVE DIRECTORS

The Company makes superannuation contributions on behalf of non-executive Directors in accordance with statutory requirements.

In 2004, the Company discontinued its retirement benefits scheme for non-executive Directors and froze existing entitlements at that time. Other than statutory superannuation contributions outlined above, non-executive Directors who did not have five years service on the Board as at 30 June 2004 are not eligible for other retirement benefits. Non-executive Directors who had served on the Board for at least five years as at 30 June 2004 and who therefore had already qualified for benefits under the previous scheme are, on retirement, entitled to a retirement benefit equivalent to the lesser of:

(a) three times the relevant Director’s annual Directors fee as at 30 June 2004; or

(b) the maximum allowable without shareholder approval under the Corporations Act and the ASX Listing Rules.

4. Remuneration of the Chief Executive Officer

The remuneration details for the CEO are set out in section 5.6 of this report.

The key terms of Mr McCarthy’s Executive Services Agreement with the Company include a base salary (including superannuation and other benefits except as set out below), which is currently $1.3 million per year. The base salary will increase to $1.5 million on 1 October, 2009. Mr McCarthy is also eligible for a performance bonus (“Performance Bonus”) of up to 100% of base salary depending on achievement of defined performance criteria set at the beginning of each financial year. The performance targets are approved by the Personnel Policy and Remuneration Committee (“PPRC”) of the Board each year. Sixty seven percent of the Performance Bonus is determined by achievement of financial targets for the Group. The remaining thirty three percent is based on other Key Performance Indicators set by the PPRC each year depending on the operational and strategic goals of the Group.

In addition to the base salary and Performance Bonus, under the Long Term EBIS (details of which are set out in section 5.2 of this report), Mr McCarthy receives the equivalent of 100% of his total fixed remuneration as an allocation of Company shares each year. These shares vest on the terms set out in section 5.2. The terms are set out in a draft Executive Service Agreement, the signing of which has been delayed until clarification of the taxation treatment of shares allocated under employee share plans following the changes announced in the 2009 Federal Budget.

5. Remuneration of Senior Executives

The objectives of the Company's executive remuneration framework are to align executive remuneration with the achievement of strategic objectives, the creation of value for shareholders, and to be in line with market. The PPRC aims to ensure that the executive remuneration framework addresses the following criteria:

- Fairly remunerate capable and performing executives;
- Attract, retain and motivate talented, qualified and experienced people in light of competitive employment markets;
- Align remuneration with achievement of business strategy;
- Align interests of executives and shareholders;
- Deliver competitive cost outcomes;
- Comply with regulatory requirements; and
- Be transparent and fair.

The executive remuneration framework established by the PPRC comprises a mix of fixed and performance-based components:

- A fixed remuneration package which includes base pay, superannuation and other benefits; and
- Performance incentives.

The combination comprises the executive's total remuneration.

The fixed remuneration package includes all employee benefits and related fringe benefits tax, for example, motor vehicle, parking and superannuation. It represents the total cost to the Company.

Payment of performance-based incentives is determined by the financial performance of the Company, the financial performance of the business unit relevant to the executive and the personal performance of the individual executive against objectives set at the beginning of the year.

The CEO conducts performance reviews with his direct reports generally in July each year and presents the outcomes and proposed incentive payments to the PPRC. The PPRC reviews and approves the remuneration packages and bonus payments to the CEO's direct reports annually, generally in August. On the recommendations of the CEO, the PPRC also reviews and approves the key performance indicators for the CEO's direct reports for the following year. Performance evaluations in accordance with this framework have taken place for senior executives for the 2008-2009 financial year during July to August 2009.

5.1 PERFORMANCE BASED SHORT TERM INCENTIVES ("BONUS") FOR SENIOR EXECUTIVES

Annual bonus payments for senior executives depend on achievement of annual financial performance criteria for the Group as well as specific strategic and operational criteria. The bonus criteria for the CEO are set each year by the Board after considering recommendations from the PPRC.

Each senior executive has a target bonus opportunity depending on the accountabilities of the role and impact on Company or business unit performance. For most senior executives reporting directly to the CEO the on-target bonus opportunity for 2009 was 20% of the executive's fixed remuneration package and the maximum bonus opportunity was 50% of the fixed remuneration package. Generally, the bonus opportunity consists of three components: 20% is based on Group EBITDA and earnings per share, 60% is based on business unit financial performance and 20% is based on other key performance indicators (KPIs). For corporate executives whose duties are not confined to one business unit, generally 50% of the bonus opportunity is based on corporate financial performance.

For the period ended 28 June 2009, the KPIs linked to the incentive plans for senior executives were based on Group performance, individual business unit performance and personal objectives. The KPIs required performance in increasing revenue, reducing operating costs and achieving specific targets relating to other key strategic non-financial measures linked to drivers of the Group's performance, including circulation, readership and market position. Specific measures for individuals include EPS, EBITDA, revenue, circulation, readership and occupational health and safety targets.

The Board sets Group profit targets annually as part of the budget and strategic planning process. Using a profit target ensures reward is linked to achievement of the business plan and value creation for shareholders. Incentives are leveraged for performance above the threshold to provide incentive for executive over performance.

5.2 EQUITY-BASED INCENTIVE SCHEMES (EBIS)

Senior executives whose roles and skills are critical to the strategy of the Group are eligible to participate in the Company's equity-based incentive scheme.

2006-2007 EBIS

In 2006, the Company replaced the previous equity incentive scheme with a new scheme (the 2006-2007 EBIS) that was designed to more closely align shareholders' interests with the Company's remuneration principles. The 2006-2007 EBIS applied for bonuses earned in the 2006 and 2007 financial years. Under the 2006-2007 EBIS, one third of the annual bonus earned on the achievement of KPIs, as detailed in Section 5.1 above, was deferred. The deferred amount was remitted to the trustee of the Employee Share Plan who purchased shares on market and allocated shares in the Plan to the relevant executive. Each participating executive's allocated shares vest three years after the allocation date subject to ongoing employment requirements and achievement of hurdles.

2008 AND ONGOING LONG TERM EBIS

In August 2007, the Board approved a new long-term EBIS (Long Term EBIS) for the CEO, his direct reports and a wider group of senior executives whose performance is critical to the overall performance of the Group. The Long Term EBIS commenced operation for the 2008 financial year. It aims to reward executives for creating growth in shareholder value. Participants in the Long Term EBIS receive a percentage of their total fixed remuneration as an allocation of Company shares (Allocation), as part of the performance review process. The number of Company shares to which a participant is entitled will depend on the participant's role and responsibilities.

Company shares for the Allocations are to be purchased on market by the trustee of the Employee Share Plan and held by the trustee in trust until the Allocation vests or is forfeited.

For an Allocation to vest, there are two performance hurdles, both linked to the Company's return to shareholders. The hurdles are measured at the end of the three year vesting period. In addition, if an Allocation does not vest at the end of the three year period, a re-test of the performance hurdles will occur at the end of the fourth year, and if satisfied, the Allocation will vest.

Fifty percent of an Allocation will vest on achievement by the Company of the total shareholder return (TSR) target. TSR will be measured against the S&P/ASX 300 Consumer Discretionary Index and shares will vest against the capital weighted percentile thresholds set out in the table below:

TSR performance	% of Allocation that vests
Under 50th percentile	Nil
50th percentile	50% of Allocation
50th to 75th percentile	Straight line pro rata
Above 75th percentile	100%

The other fifty percent of the Allocation will vest on achievement of the earnings per share (EPS) target. EPS will be measured by the compound annual growth rate (CAGR) of the Company's EPS and vesting will be according to the table below:

EPS performance	% of Allocation that vests
Less than 7% CAGR	Nil
7% CAGR	25%
7% to 10% CAGR	Straight line pro rata
10% CAGR or above	100%

OTHER TERMS OF THE 2008 AND ONGOING LONG-TERM EBIS

On termination of an executive's employment, vesting rights will depend on the circumstances of the termination. If an executive resigns, unvested allocations will be forfeited however the Board has discretion to allow vesting. On termination for fraud or misconduct, allocations will be forfeited. If an executive is terminated without cause, for example made redundant or dies or is permanently disabled, then vesting will be at the Board's discretion and subject to the achievement of the performance hurdles. In the circumstances of an offer to acquire the Company, vesting will be at the Board's discretion.

SUSPENSION OF THE 2008 AND ONGOING LONG-TERM EBIS

The EBIS is presently suspended pending review of the revised tax treatment of employee share plans as a consequence of announcements made in the 2009 Federal Budget. The terms of the EBIS will be reviewed once the relevant legislation is enacted.

The financial performance of the Company in key shareholder value measures over the past five years is shown below:

		AIFRS 2009	AIFRS 2008	AIFRS 2007	AIFRS 2006	AGAAP Restated 2005
Underlying operating revenue	$m	2,600	2,909	2,117.6	1,907.8	1,873.4
Net profit before significant items	$m	241.3	395.9	267.8	234.3	237.6
Earnings per share before significant items	Cents	12.4	23.4	23.2	24.5	25.8
Dividends per share	Cents	2.0	20.0	20.0	19.5	23.5
*Total Shareholder Returns (TSR)	%	(52.1)	(34.7)	34.2	(5.70)	23.20

* TSR comprises share price appreciation and dividends, gross of franking credits, reinvested in the shares (source: Bloomberg)

5.3 RETENTION ARRANGEMENTS

In 2005, retention arrangements were put in place for two key executives to ensure their retention and successful contribution during the transition to the new CEO at the time. The two key executives, Sankar Narayan and Gail Hambly received $300,000 each in Company shares, which were purchased on market by the trustee of the Employee Share Plan and held in the Plan until they vested. The shares vested over a three year period. Vesting was contingent on the executive continuing to be employed by the Company on the date of vesting and on achievement of the executive's personal KPIs within his or her area of responsibility. The KPIs were chosen as the most appropriate to drive the successful delivery of business outcomes. The first tranche of 25% of the shares vested on 1 October 2006, the second tranche of 25% vested on 1 October 2007 and the final tranche of 50% vested on 1 October 2008.

5.4 RETIREMENT BENEFITS FOR EXECUTIVES

Except for a small number of long serving executives who are members of a defined-benefit superannuation plan, retirement benefits are delivered through defined contribution superannuation plans. The defined-benefit fund (which is closed to new entrants) provides defined lump sum benefits based on years of service, retirement age and the executive's remuneration at the time of retirement.

5.5 EXECUTIVE SERVICE AGREEMENTS

The terms of employment of the CEO are set out in section 4 and this section 5.5 below.

The remuneration and other terms of employment for the highest paid executives and key management personnel (disclosed in section 5.7 pursuant to section 300A of the Corporations Act) are set out in written agreements. Except for Ms Withers, who had a fixed term contract and who retired on 30 June 2009, these service agreements are unlimited in term but may be terminated without cause by written notice by either party or by the Company making payment in lieu of notice. They may also be terminated with cause as set out below.

Each of these agreements sets out the arrangements for total fixed remuneration, performance-related cash bonus opportunities, superannuation, termination rights and obligations and eligibility to participate in the equity-based incentive scheme.

As described in this section 5, executive salaries are reviewed annually. The executive service agreements do not require the Company to increase base salary, pay incentive bonuses or continue the executive's participation in the equity-based incentive scheme. Key non-financial terms in the executive service agreements are set out below. Remuneration details are set out in sections 5.6 and 5.7.

TERMINATION OF EMPLOYMENT WITHOUT NOTICE AND WITHOUT PAYMENT IN LIEU OF NOTICE

The Company may terminate the employment of the executive without notice and without payment in lieu of notice in some circumstances. Generally this includes if the executive:

(a) commits an act of serious misconduct;

(b) commits a material breach of the executive service agreement;

(c) is charged with any criminal offence which, in the reasonable opinion of the Company, may embarrass or bring the Fairfax Group into disrepute; or

(d) unreasonably refuses to carry out his or her duties including complying with reasonable, material and lawful directions from the Company.

TERMINATION OF EMPLOYMENT WITH NOTICE OR WITH PAYMENT IN LIEU OF NOTICE

The Company may terminate the employment of the executive at any time by giving the executive notice of termination or payment in lieu of such notice. The amount of notice required from the Company in these circumstances is set out in the table below. If the Company elects to make payment in lieu of all or part of the required notice, payment is calculated on the basis of fixed remuneration excluding bonuses and non-cash incentives.

Name of Executive	Company Termination Notice Period	Employee Termination Notice Period	Post-Employment Restraint
Brian McCarthy	12 months	6 months	- 12 month no solicitation of employees or clients - 6 months no work for a competitor of the Fairfax Group
Brian Cassell	12 months	4 months	- 12 month no solicitation of employees or clients - 6 months no work for a competitor of the Fairfax Group
Gail Hambly	18 months	3 months	- 12 month no solicitation of employees or clients - 6 months no work for a competitor of the Fairfax Group
Jack Matthews	12 months	6 months	- 12 month no solicitation of employees or clients - 6 months no work for a competitor of the Fairfax Group
Sankar Narayan	12 months	4 months	- 12 month no solicitation of employees or clients - 6 months no work for a competitor of the Fairfax Group
Joan Withers	6 months	6 months	- 12 month no solicitation of employees or clients - 6 months no work for a competitor of the Fairfax Group

Remuneration Report

5.6 REMUNERATION OF DIRECTORS

			SHORT-TERM			POST EMPLOYMENT			
		Directors' Fees	Base Salary & Other Benefits	Cash Bonus	Termination	Super-annuation	Long Service Leave Expense	Total *	Performance Related Total
RJ Walker	2009	336,000	-	-	-	30,240		366,240	n/a
	2008	336,000	-	-	-	30,240	-	366,240	n/a
RC Corbett	2009	180,910	-	-	-	16,282		197,192	n/a
	2008	151,667	-	-	-	13,650	-	165,317	n/a
D Evans	2009	160,000	-	-		14,400		174,400	n/a
	2008	147,333	-	-	-	13,260	-	160,593	n/a
JB Fairfax	2009	140,000	-	-	-	12,600		152,600	n/a
	2008	140,000	-	-	-	12,600	-	152,600	n/a
NJ Fairfax	2009	173,526	-	-	-	15,617		189,143	n/a
	2008	173,667	-	-	-	15,630	-	189,297	n/a
DE Kirk	2009	-	762,086	-	4,122,808	26,923	-	4,911,817	n/a
	2008	-	1,650,038	864,960	-	50,000	13,918	2,578,916	50%
JM King	2009	150,000	-	-	-	13,500	-	163,500	n/a
	2008	150,000	-	-	-	13,500	-	163,500	n/a
BK McCarthy	2009	-	1,200,000	298,220	-	100,000	63,839	1,662,059	34%
	2008	-	1,224,776	780,000	-	100,000	46,570	2,151,346	44%
R Savage	2009	150,000	-	-	-	13,500		163,500	n/a
	2008	152,977	-	-	-	13,768	-	166,745	n/a
P Young	2009	175,564	-	-	-	15,801		191,365	n/a
	2008	154,000	-	-	-	13,860	-	167,860	n/a
Total remuneration:									
Directors	**2009**	**1,466,000**	**1,962,086**	**298,220**	**4,122,808**	**258,863**	**63,839**	**8,171,816**	
	2008	1,405,644	2,874,814	1,644,960	-	276,508	60,488	6,262,414	

In addition to the remuneration in table 5.6 above Brian McCarthy's total cost to the Company includes the amortised cost of the fair value of rights to shares issued of $407,408 (2008: $279,573) representing a total of $2,069,467 (2008: $2,430,919). David Kirk's total cost to the Company of $72,842 includes a credit for the reversal of the prior year amortised cost of the fair value of rights to shares following his departure (2008: $834,967) representing a total of $4,984,660 (2008: $3,413,883). Non-Executive Directors are not participants in any performance related share arrangements (refer section 3 of the remuneration report).

5.7 KEY MANAGEMENT PERSONNEL

The following are the key management personnel for the financial year in addition to the directors listed above.

	Title
Brian McCarthy	CEO
Sankar Narayan	Chief Financial Officer*
Brian Cassell	Chief Financial Officer*
Gail Hambly	Group General Counsel and Company Secretary
Jack Matthews	CEO Fairfax Digital
Joan Withers **	CEO Fairfax New Zealand

There were no changes to the key management personnel between the end of the financial year and the date of this report.

* Sankar Narayan was replaced by Brian Cassell in May 2009.

** Joan Withers was replaced by Allen Williams on 1 July 2009

REMUNERATION OF THE COMPANY & GROUP EXECUTIVES WHO RECEIVED THE HIGHEST REMUNERATION OR ARE KEY MANAGEMENT PERSONNEL

				SHORT-TERM			POST EMPLOYMENT			
		Company	Group	Base Salary & Other Benefits	Cash Bonus	Termination Payment	Super-annuation	Long Service Leave Expense	Total excluding shares	Performance Related Total
S Narayan	2009	✓	✓	627,178	-	1,197,843	55,899	-	1,880,920	n/a
	2008	✓	✓	734,642	288,000	-	65,396	13,426	1,101,464	43%
J Matthews	2009	✓	✓	576,554	75,000	-	48,445	5,850	705,849	27%
	2008	✓	✓	547,363	155,000	-	46,114	3,950	752,427	31%
G Hambly	2009	✓	✓	490,855	92,125	-	59,145	8,327	650,452	32%
	2008	✓	✓	490,993	150,000	-	59,045	36,017	736,055	38%
J Withers	2009		✓	680,955	-	162,580	-	-	843,535	n/a
	2008		✓	564,759	174,382	-	-	-	739,141	24%
L Price	2009	✓	✓	164,531	-	506,869	14,773	-	686,173	16%
B Cassell	2009	✓	✓	500,000	90,960	-	100,000	8,395	699,355	26%
B McCarthy	2008	✓	✓	1,224,776	780,000	-	100,000	46,570	2,151,346	44%
TOTAL			**2009**	**3,040,073**	**258,085**	**1,867,292**	**278,262**	**22,572**	**5,466,284**	
			2008	3,562,533	1,547,382	-	270,555	99,963	5,480,433	

Amortised cost to the Company of the fair value of rights to shares issued:

S Narayan $34,302 credit (2008 $317,053 expense), J Matthews $157,660 (2008:$106,687), G Hambly $180,874 (2008: $180,863), L Price $132,545 and B Cassell $122,632. Sankar Narayan's total cost to the Company includes a credit for the reversal of the prior year amortised cost of the fair value of rights to shares following his departure.

Total cost to the Company after inclusion of the amortised cost of the fair value of rights to shares:

S Narayan $1,915,222 (2008: $1,418,517), J Matthews $863,510 (2008: $859,114), G Hambly $831,326 (2008: $916,918), J Withers $843,535 (2008: $739,141), L Price $818,718 and B Cassell $ 821,987.

5.8 OPTIONS

During the year ended 28 June 2009:

- no options were granted to Directors or key management personnel (2008:nil);
- no options held by Directors or key management personnel vested (2008:nil);
- no options held by Directors or key management personnel lapsed (2008:nil); and
- no options held by Directors or key management personnel were exercised (2008:nil).

5.9 LOANS TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

During the year ended 28 June 2009, there were no loans to Directors or to key management personnel (2008: nil).

5.10 HEDGING RISK ON SECURITIES FORMING PART OF REMUNERATION

The rules of the Employee Share Plans prohibit employees from creating any encumbrance on unvested share rights. Under the Board approved Fairfax Securities Trading Policy, Designated People (as defined on page 31) are not permitted to enter a financial transaction (whether through a derivative, hedge or other arrangement) which would operate to limit the economic risk of an employee's holding of unvested Company securities which have been allocated to the employee as part of his or her remuneration. Employees who are found not to have complied with the Securities Trading Policy risk disciplinary sanctions which may include termination of employment.

Corporate Governance

The Company's compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 2nd edition ("ASX Recommendations") is set out in the following table.

	Compliance	Pages
Principle 1: Lay solid foundations for management and oversight		
1.1 Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions	✓	25
1.2 Disclose the process for evaluating the performance of senior executives	✓	14-18
1.3 Provide the information indicated in the Guide to reporting on Principle 1	✓	16
Principle 2: Structure the Board to add value		
2.1 A majority of the Board should be independent Directors	✓	26
2.2 The chair should be an independent Director	✓	26
2.3 The roles of chair and chief executive officer should not be exercised by the same individual	✓	26
2.4 The Board should establish a nomination committee	✓	26
2.5 Disclose the process for evaluating the performance of the Board, its committees and individual Directors	✓	26
2.6 Provide the information indicated in Guide to reporting on Principle 2	✓	6-7, 11, 26-27
Principle 3: Promote ethical and responsible decision making		
3.1 Establish a code of conduct and disclose the code or a summary of the code as to:		
• the practices necessary to maintain confidence in the Company's integrity;	✓	27
• the practices necessary to take into account their legal obligations and the reasonable expectations of shareholders; and	✓	27
• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	✓	27
3.2 Establish a policy concerning trading in company securities by Directors, senior executives and employees and disclose the policy or a summary of that policy	✓	31
3.3 Provide the information indicated in Guide to reporting on Principle 3	✓	27, 31
Principle 4: Safeguard integrity in financial reporting		
4.1 The board should establish an audit committee	✓	28
4.2 Structure the audit committee so that it:		
• consists of only non-executive Directors;	✓	25
• consists of a majority of independent Directors;	✓	25
• is chaired by an independent chair, who is not chair of the Board; and	✓	25
• has at least three members.	✓	25
4.3 The audit committee should have a formal charter	✓	28
4.4 Provide the information indicated in Guide to reporting on Principle 4	✓	6-7, 11, 28
Principle 5: Make timely and balanced disclosure		
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	✓	29
5.2 Provide the information indicated in Guide to reporting on Principle 5	✓	29

	Compliance	Pages
Principle 6: Respect the rights of shareholders		
6.1 Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of the policy	✓	29
6.2 Provide the information indicated in Guide to reporting on Principle 6	✓	29
Principle 7: Recognise and manage risk		
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies	✓	29-30
7.2 Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	✓	29-30
7.3 Board should disclose whether it has received assurance from the chief executive (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	29-30
7.4 Provide the information indicated in Guide to reporting on Principle 7	✓	29-30
Principle 8: Remunerate fairly and responsibly		
8.1 The Board should establish a remuneration committee	✓	14
8.2 Clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives	✓	14-18
8.3 Provide the information indicated in Guide to reporting on Principle 8	✓	11, 14-15, 22

Corporate Governance

The key corporate governance principles of the Fairfax Group are set out below. This section of the Annual Report, which is publicly available on the Company's website at www.fxj.com.au, contains summaries of the Fairfax Board Charter, Nomination Committee Charter, Code of Conduct, Audit and Risk Committee Charter, Charter of Audit Independence, policy on market disclosure and shareholder communications, risk management policy and Securities Trading Policy (including policy on hedging unvested securities issued as part of remuneration). The Personnel Policy and Remuneration Committee Charter is summarised in the Remuneration Report.

BOARD OF DIRECTORS

The Board of Directors is responsible for the long-term growth and profitability of the Group.

The Board has adopted a Board Charter which sets out the responsibilities of the Board and its structure and governance requirements. Under the Board Charter, the powers and responsibilities of the Board are to:

(a) set the strategic direction of the Fairfax Group;

(b) provide overall policy guidance and ensure that policies and procedures for corporate governance and risk management are in place to ensure shareholder funds are prudently managed and that the Group complies with its regulatory obligations and ethical standards;

(c) set and monitor performance against the financial objectives and performance targets for the Group;

(d) determine the terms of employment and review the performance of the Chief Executive Officer (CEO);

(e) set and monitor the Group's programs for succession planning and key executive development with the aim to ensure these programs are effective;

(f) approve acquisitions and disposals of assets, businesses and expenditure above set monetary limits; and

(g) approve any issues of securities and entry into material finance arrangements, including loans and debt issues.

Subject to the specific authorities reserved to the Board under the Board Charter and to the authorities delegated to the Board committees, the Board has delegated to the CEO responsibility for the management and operation of the Fairfax Group. The CEO is responsible for the day-to-day operations, financial performance and administration of the Fairfax Group within the powers authorised to him from time-to-time by the Board. The CEO may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of these delegated powers.

Membership of the Board and its committees at the date of this report is set out below.

		COMMITTEE MEMBERSHIP		
Director	Membership Type	Audit & Risk	Nominations	Personnel Policy & Remuneration
RJ Walker	Independent Chair	-	Member	-
DE Kirk*	CEO	-	-	-
BK McCarthy*	CEO	-	-	-
RC Corbett	Independent	Chair	-	Member
D Evans	Independent	-	Member	Member
JB Fairfax	Non-Independent	-	-	Member
N Fairfax	Non-Independent	Member	Member	-
JM King	Independent	-	Chair	-
R Savage	Independent	Member	-	-
P Young	Independent	Member	-	Chair

* Mr Kirk resigned from the Company and the Board on 5 December, 2008. Mr McCarthy was appointed to the Board on 10 December, 2008.

Corporate Governance

The qualifications and other details of each member of the Board are set out on pages 6-7 of this report.

Except for the Chief Executive Officer, Mr John B Fairfax and Mr Nicholas Fairfax, all Directors (including the Chair) are considered by the Board to be independent, non-executive Directors.

The Constitution requires that the Board has a minimum of 3 Directors and maximum of 12 or such lower number as the Board may determine from time to time. The Board has resolved that presently the maximum number of Directors is 9.

The Constitution authorises the Board to appoint Directors to vacancies and to elect the Chair. One third of Directors (excluding the Chief Executive Officer and a Director appointed to fill a casual vacancy and rounded down to the nearest whole number) must retire at every annual general meeting. Other than the Chief Executive Officer, no Director may remain in office for more than three years or the third annual general meeting following appointment without resigning and being re-elected. Any Director appointed by the Board must stand for election at the next general meeting of shareholders.

Any Director may seek independent professional advice at the Company's expense. Prior approval by the Chair is required, but approval must not be unreasonably withheld.

The Board has a Nominations Committee which reviews potential Board candidates when necessary. The Committee is comprised of a majority of non-executive Directors who are independent. The Committee may seek expert external advice on suitable candidates.

The Board has adopted a formal Nominations Committee Charter. Under the Charter, the purpose of the Committee is to identify individuals qualified to become Board members and recommend them for nomination to the Board and its Committees; to ensure Board performance is reviewed regularly and to ensure the Board has an appropriate mix of skills.

The Committee uses the following principles to recommend candidates and provide advice and other recommendations to the Board:

- A majority of Directors and the Chair should be independent; and
- The Board should represent a broad range of expertise consistent with the Company's strategic focus.

Duties of the Nominations Committee include:

- making recommendations to the Board on the size and composition of the Board;
- recommending individuals qualified to be Board members, taking into account such factors as it deems appropriate;
- identifying Board members to fill vacancies on the Committees;
- recommending the appropriate process for the evaluation of the performance of each director and the Board; and
- other duties delegated to it from time to time relating to nomination of Board or Committee members or corporate governance.

The Board conducts a review of its structure, composition and performance annually. The Board may seek external advice to assist in the review process. During this financial year a review of Board performance was conducted with the assistance of an external consultant and the results and recommendations were discussed at the Board and various recommendations implemented.

INDEPENDENT DIRECTORS

Under the Board Charter, the majority of the Board and the Chair must be independent. A Director must notify the Company about any conflict of interest or potential material relationship.

Directors have determined that all Directors except the Chief Executive Officer, Mr John B Fairfax and Mr Nicholas Fairfax, are independent. In assessing whether a Director is independent, the Board has considered Directors' obligations to shareholders, the requirements of applicable laws and regulations, criteria set out in the Board Charter and the ASX Recommendations. The Board has not set specific materiality thresholds, considering it more effective to assess any relationship on its merits on a case-by-case basis, and where appropriate with the assistance of external advice. The ASX Recommendations, in summary, state that the Board should consider whether the Director:

- is a substantial shareholder or officer or associated with a substantial shareholder of the Company;
- was employed in an executive capacity by the Group within the last three years;
- within the last three years, was a principal of a material professional adviser or a material consultant or an employee materially associated with a service;

- is, or is associated with a material supplier or customer of the Group; and
- has a material contractual relationship with the Group other than as a Director.

Mr John B Fairfax has a relevant share interest of approximately 9.7% in the Company and Mr Nicholas Fairfax has a family relationship with Mr John B Fairfax. On this basis, the Board has concluded that, given the shareholding criteria in the ASX Recommendations, neither is an independent Director.

CODE OF CONDUCT

All Directors, managers and employees are required to act honestly and with integrity.

The Company has developed and communicated to all employees and Directors the Fairfax Code of Conduct. The Code assists in upholding ethical standards and conducting business in accordance with applicable laws. The Code also sets out the responsibility of individuals for reporting Code breaches.

The Fairfax Code of Conduct aims to:

- provide clear guidance on the Company's values and expectations while acting as a representative of Fairfax;
- promote minimum ethical behavioural standards and expectations across the Group, all business units and locations;
- offer guidance for shareholders, customers, readers, suppliers and the wider community on our values, standards and expectations, and what it means to work for Fairfax;
- raise employee awareness of acceptable and unacceptable behaviour and provide a means to assist in avoiding any real or perceived misconduct.

Supporting the Code of Conduct is the Company's range of guidelines and policies. These policies are posted on the Company intranet, are communicated to employees at the time of employment and are reinforced by training programs.

The Code of Conduct is a set of general principles relating to employment with Fairfax, covering the following areas:

- business integrity - conducting business with honesty, integrity and fairness; reporting concerns without fear of punishment; making public comments about the Company and disclosing real or potential conflicts of interest;
- professional practice - dealings in Fairfax shares; financial interests; protecting company assets and property; maintaining privacy and confidentiality; undertaking employment outside Fairfax; personal advantage, gifts and inducements, recruitment and selection; and company reporting;
- health, safety and environment;
- equal employment opportunity and anti-harassment;
- compliance with company policies; and
- implementation of and compliance with the Code of Conduct.

The Code of Conduct is to be read in conjunction with the codes of ethics for each masthead and the other Fairfax policies as amended from time to time.

AUDIT AND RISK COMMITTEE

The Board has had an Audit and Risk Committee since listing on the ASX in 1992. The Committee operates in accordance with a Charter which sets out its role and functions. In summary, the Committee's role is to advise and assist the Board on the establishment and maintenance of a framework of risk management, internal controls and ethical standards for the management of the Fairfax Group and to monitor the quality and reliability of financial information for the Group. To carry out this role, the Committee:

- recommends to the Board the appointment of the external auditor, reviews its performance, independence and effectiveness, approves the auditor's fee arrangements and enforces the Company's Charter of Audit Independence;
- ensures that appropriate systems of control are in place to effectively safeguard the value of assets;
- ensures accounting records are maintained in accordance with statutory and accounting requirements;
- monitors systems designed to ensure financial statements and other information provided to shareholders is timely, reliable and accurate;
- formulates policy and oversees key finance and treasury functions;
- oversees policies and procedures aimed to ensure the Group has an effective business risk plan;
- ensures appropriate policies and procedures are in place for compliance with all legal, regulatory and ASX requirements;
- monitors compliance with regulatory and ethical requirements;
- reviews the external audit process with the external auditor, including in the absence of management;
- reviews the performance of internal audit with input into the performance review and remuneration of the Internal Audit Manager;
- reviews and approves the internal audit plan and receives summaries of significant reports by internal audit;
- meets with the Internal Audit Manager including in the absence of management if considered necessary; and
- does anything else it considers necessary to carry out the above functions.

Under its Charter, all members of the Committee must be non-executive Directors. Executives may attend by invitation. The Chair of the Committee is required to be independent and have relevant financial expertise and may not be the Chair of the Board. The members of the Audit and Risk Committee and details of their attendance at Committee meetings are set out on page 11.

The Chair of the Committee may, at the Company's expense, obtain external expert advice, obtain assistance and information from officers of the Group, and engage other support as reasonably required from time to time.

CHARTER OF AUDIT INDEPENDENCE

The Board has also adopted a Charter of Audit Independence which is posted on the Company's website at www.fxj.com.au.

The purpose of this Charter is to provide a framework for the Board and management to ensure that the external auditor is both independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders with reliable and clear financial reports on which to base investment decisions. The Charter sets out key commitments by the Board and procedures to be followed by the Audit and Risk Committee and management aimed to set a proper framework of audit independence.

To promote audit quality and effective audit service by suitably qualified professionals, the Board ensures that the auditor is fairly rewarded for the agreed scope of the statutory audit and audit-related services. The auditor is required to have regular communications with the Committee, at times without management present. Audit personnel must be appropriately trained, meet the required technical standards and maintain confidentiality.

Restrictions are placed on non-audit work performed by the auditor. Non-audit fees above a fixed level may not be incurred without the approval of the Chair of the Audit and Risk Committee.

The Company requires rotation of the senior audit partner for the Company at least every five years.

The Audit and Risk Committee requires the auditor to confirm annually that it has complied with all professional regulations and guidelines issued by the Australian accounting profession relating to auditor independence and that it has no financial or material business interests in the Company outside of the supply of professional services.

MARKET DISCLOSURE AND SHAREHOLDER COMMUNICATIONS

The Company has a Market Disclosure Policy which sets out requirements aimed to ensure full and timely disclosure to the market of material issues relating to the Group to ensure that all stakeholders have an equal opportunity to access information.

The Policy reflects the ASX Listing Rules and Corporations Act continuous disclosure requirements.

The Market Disclosure Policy requires that the Company notify the market, via the ASX, of any price sensitive information (subject to the exceptions to disclosure under the Listing Rules). Information is price sensitive if a reasonable person would expect the information to have a material effect on the price or value of the Company's securities or if the information would, or would be likely to, influence investors in deciding whether to buy, hold or sell Fairfax securities.

The Chief Executive Officer, Chief Financial Officer, General Manager Investor Relations and Group General Counsel/Company Secretary are designated as Disclosure Officers who are responsible for reviewing potential disclosures and deciding what information should be disclosed.

Only the Disclosure Officers may authorise communications on behalf of the Company to the ASX, media, analysts and investors. This safeguards the premature exposure of confidential information and aims to ensure proper disclosure is made in accordance with the law. The Disclosure Officers are also authorised to determine whether a trading halt will be requested from the ASX to prevent trading in an uninformed market.

The onus is on all staff to inform a Disclosure Officer of any price sensitive information as soon as becoming aware of it. The Executive Leadership Team is responsible for ensuring staff understand and comply with the policy.

As well as its Listing Rules and statutory reporting obligations, the Company actively encourages timely and ongoing shareholder communications.

To ensure ready access for shareholders to information about the Company, Company announcements, annual reports, analyst and investor briefings, financial results and other information useful to investors such as press releases are placed on the Company's website at www.fxj.com.au as soon as practical after their release to the ASX. Several years worth of historical financial information is available on the website. The results briefings given to analysts by senior management are webcast on the website.

The full text of notices of meetings and the accompanying explanatory materials are posted on the website for each annual general meeting. The Chair's and the Chief Executive Officer's addresses, proxy counts and results of shareholder resolutions at the meeting are also posted on the website.

At the annual general meeting, shareholders are encouraged to ask questions and are given a reasonable opportunity to comment on matters relevant to the Company. The external auditor attends the annual general meeting and is available to answer shareholder questions about the audit and the audit report.

RISK MANAGEMENT AND INTEGRITY OF FINANCIAL REPORTING

The Board has overseen the development of a risk management and internal compliance and control system.

The system draws upon the ASX Corporate Governance Council's Revised Supplementary Guidance to Principle 7 and seeks to provide a consistent approach to identifying, assessing, and reporting risks, whether they be related to company performance, reputation, safety, environment, internal control, compliance or other risk areas.

Key aspects of the Company's risk management and internal compliance and control system are summarised as follows:

- Risks are assessed at least annually and revised periodically for each division through the business planning, budgeting, forecasting, reporting and performance management processes.
- The Board, through the Audit and Risk Committee, receives regular reports from management (and independent advisers where appropriate) on key risk areas such as treasury, health safety and environment, regulatory compliance, taxation, finance and internal audit and the effectiveness of the risk management system.
- The process for assessing and reporting on risks, internal controls and internal compliance is being standardised, enhanced and formalised across the Group. This is an ongoing process.
- Formal risk assessments are required as part of business case approvals for one-off projects or initiatives of a significant nature. Project teams are responsible for managing the risks identified.

- Under the direction of the Audit and Risk Committee, Internal Audit conducts a program of internal control reviews over key areas, based on their importance to the Company, and provides independent assurance over the internal control assessments undertaken by management.

The Company's risk framework is overseen and monitored by both the Board and the Audit & Risk Committee.

As part of the risk framework, specific policies and approval processes have been developed to cover key risk areas such as material investments and contracts, treasury, capital expenditure approval, occupational health and safety and environmental processes.

The Company's Internal Audit function comprises the Internal Audit Managers and a team of professionals who work through a schedule of prioritised risk areas across all the major business units to provide an independent risk assessment and evaluation of operating and financial controls. The Internal Audit function is independent from the external auditor and the Internal Audit Managers may meet with the Audit & Risk Committee in the absence of management. Internal Audit reports its results to each meeting of the Audit & Risk Committee and the Internal Audit Managers attend the meetings.

The Board has received written assurances from the Chief Executive and the Chief Financial Officer that in their opinion:

(a) The financial statements and associated notes comply in all material respects with the accounting standards as required by the Corporations Act 2001.

(b) The financial statements and associated notes give a true and fair view, in all material respects, of the financial position as at 28 June, 2009, and performance of the Company and consolidated entity for the period then ended as required by the Corporations Act 2001.

(c) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

(d) The financial records of the Company have been properly maintained in accordance with the Corporations Act 2001.

(e) The statements made above regarding the integrity of the financial statements are founded on a sound system of financial risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board.

(f) The risk management and internal compliance and control systems of the Company and consolidated entity relating to financial reporting compliance and operations objectives are operating efficiently and effectively, in all material respects. Management has reported to the Board as to the effectiveness of the Company's management of its material business risks.

(g) Subsequent to 28 June 2009, no changes or other matters have arisen that would have a material effect on the operation of the risk management and internal compliance and control systems of the Company and consolidated entity.

These statements to the Board are underpinned by the requirement for appropriate senior executives to provide a signed letter of representation addressed to the Chief Executive Officer and Chief Financial Officer verifying material issues relating to the executive's areas of responsibility and disclosing factors that may have a material effect on the financial results or operations of the Group.

REMUNERATION

Information about the Board's Personnel Policy and Remuneration Committee (PPRC), the PPRC Charter, the Company's remuneration policies for non-executive Directors and the remuneration policies for the CEO and senior executives is set out in the Remuneration Report beginning on page 14.

TRADING IN COMPANY SECURITIES

Directors must not trade directly or indirectly in Fairfax securities while in possession of price sensitive information. Price sensitive information is information which has not been made public, usually about the Group or its intentions, which a reasonable person would expect to have a material effect on the price or value of Fairfax securities or which would be likely to influence an investment decision in relation to the securities.

The Fairfax Securities Trading Policy regulates dealings by Directors and certain senior employees ("Designated People") in Fairfax securities (including shares, convertible notes derivatives, and options). The purpose of the Policy is to ensure that Designated People comply with the legal and company-imposed restrictions on trading in securities whilst in possession of unpublished price sensitive information. The Policy sets out black out periods when no trading is to be undertaken and a process for authorisation of trading at other times. Designated People means Directors, the CEO, the Company Secretary, employees who report directly to the CEO and those employees who are notified that they are subject to the Policy.

A Designated Person must not trade in breach of the Policy either directly or indirectly through another entity, such as a partner, child, nominee or controlled company acting on his/her behalf. Under the Policy, Designated People are prohibited from trading in Fairfax securities without approval under the Policy or when in possession of price-sensitive information about Fairfax. In addition, Designated People must not tip anyone else on Fairfax securities, engage in short term speculative trading in Fairfax securities or trade in Fairfax derivatives.

Black-out periods occur before the announcement of the half-yearly and annual results, other trading updates and the annual general meeting during which Designated People will not be authorised to trade. Before trading outside black-out periods, Directors must obtain approval from the Chair (or the chairman of the Audit & Risk Committee for approvals for the Chair). Other Designated People must obtain approval from the Company Secretary who will consult with the Chair.

Directors must notify the Company Secretary of any change in the Director's interest in Company securities so as to ensure compliance with the disclosure requirements of the ASX Listing Rules.

The Policy prohibits Designated People from entering into any financial transactions that operate to limit the economic risk of unvested Fairfax securities which have been allocated to an employee as part of his/her remuneration prior to the securities vesting. Any breach of this prohibition risks disciplinary sanctions.

Management Discussion & Analysis Report

TRADING OVERVIEW

Economic conditions during the past financial year have been very weak, which in turn resulted in large falls in advertising demand from the September/October period and accelerating particularly during the early part of the second half of the financial year. Volumes in all areas of the company's activities were impacted to some degree. Publishing volumes were down and the rate of growth in the online transaction businesses was below previous levels. A consequence of the slowing conditions and volume reductions was general pressure on yields in most parts of the business.

Australia and New Zealand advertising volumes followed similar patterns of decline. Classified advertising, particularly employment advertising, experienced the most significant volume decline with the major metropolitan publications experiencing greater falls than the regional and community titles. Radio experienced similar declines to the regional/community titles thus mitigating the full effects of the downturn on the major metropolitan titles.

A significant amount of business restructuring was implemented during the year in anticipation of an extended economic downturn.

Non recurring restructure and redundancy costs were incurred as a result with some benefit realised during the year and the full impact of the savings to be achieved in subsequent years. The downturn in trading also resulted in a non cash write down of the carrying value of the Group's mastheads, licences and goodwill.

These non recurring costs, together with write downs of the goodwill associated with the Southern Star television production business sold during the year, amounted to an after tax charge of $662 million in the year.

Including these non recurring costs, the net loss attributable to members of the Company was $380 million. Excluding impairments and non recurring restructure charges, the underlying net profit after tax was $242 million, down from $395 million in the prior year.

CASH FLOW

Operating cash flow remains strong in relation to the Company's profitability with $385 million generated during the year.

Capital expenditure decreased slightly to $107 million compared to $115 million last year and well below the $117 million depreciation charge. The increase was mainly due to upgrades to printing plants in Australia and New Zealand and investments being made to improve both the editorial and financial systems across the Company. All of these investments meet our strict financial criteria and will generate significant benefits into the future.

FINANCIAL POSITION

Impairment charges and the equity raising completed in April 2009 have generated the major changes in the balance sheet over the past financial year. These changes have occurred in the Intangibles, Debt and Contributed Equity classification.

Intangible assets have decreased by $604 million, largely reflecting the non cash impairment charges recognised this financial year.

The impact of the decline in advertising volumes on earnings, coupled with the very uncertain trading outlook for calendar 2009, encouraged us to take action to strengthen the balance sheet via the issue of equity capital to shareholders.

In April 2009 we completed a three for five accelerated non-renounceable pro-rata entitlement offer, raising a net $613 million. A total of 832.9 million shares were issued at a price of $0.75 with the proceeds applied to reduce borrowings. Existing debt facilities were retained however and funding flexibility has been maintained for the medium term in anticipation of capital markets returning to normal.

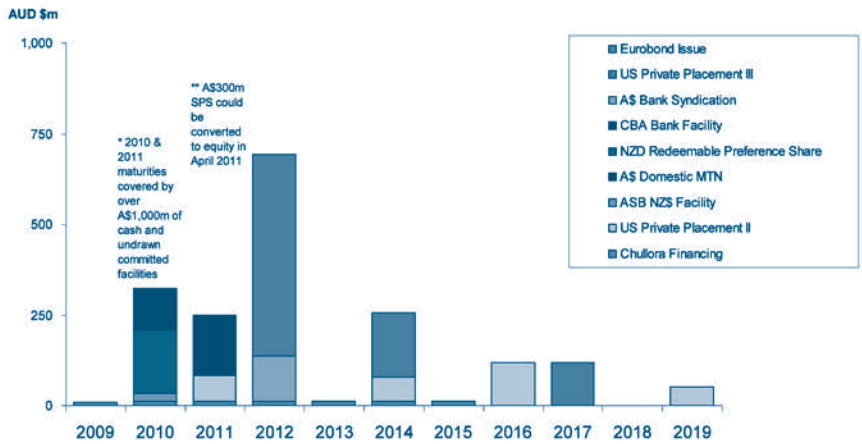
The company also issued 5.5 million shares at $2.83 per share as part of the Dividend Reinvestment Plan, offset by the purchase of 5.0 million shares at various rates for the unvested employee incentive scheme.

The Southern Star television production business was sold in April 2009 with the proceeds also applied to reduce outstanding drawings under loan facilities.

With the net cash from operations after dividend payments, the cash from the equity raisings and the proceeds from the sale of Southern Star, the company's net debt was reduced by $734 million over the course of the year. The Company remains well within all covenant limits at 28 June 2009.

As can be seen from the graph below, the Company does not face any significant refinancing exposure for at least the next three years.

Management Discussion & Analysis Report



Unfortunately, in May 2009 the company's S&P credit rating was downgraded from BBB- to BB+ due to the impact of lower revenue levels and the uncertain advertising outlook. Although it will take a period of sustained compliance with S&P's strict ratings metrics, the company believes it will be able to restore its investment grade rating in two to three years.

DIVIDENDS

Total ordinary dividends of $181.7 million were paid during the year, a decrease of $117.7 million on last year.

These dividend payments are in line with the Board Policy announced in December 2008 whereby the dividend payout ratio was decreased to approximately 20% until the company's trading performance and balance sheet position are improved.

Dividends of $25.0 million were paid on the Stapled Preference Shares which was in line with the amount paid in 2008.

No final dividend has been declared for the year.

FRANKING

With the combination of the downturn in trading levels and the restructuring and redundancy costs incurred, the company's income tax payments in 2009 were substantially lowered. Accordingly, the level of franking credits has been significantly reduced and it is anticipated that dividends in the immediate future will be substantially unfranked. Franking levels are expected to be gradually restored to levels consistent with the proportion of Australian income during 2010.

Consolidated Income Statements

Fairfax Media Limited and Controlled Entities for the period ended 28 June, 2009

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Revenue from operations	2(A)	**2,599,132**	2,900,755	**152**	1,445
Other revenue and income	2(B)	**10,390**	33,252	**40,512**	126,509
Total revenue and income		**2,609,522**	2,934,007	**40,664**	127,954
Share of net profits of associates and joint ventures	11(C)	**2,050**	8,735	**-**	-
Expenses from operations excluding impairment, depreciation, amortisation and finance costs	3(A)	**(2,097,050)**	(2,097,973)	**(85,926)**	(86,003)
Depreciation and amortisation	3(B)	**(117,556)**	(108,295)	**(7,363)**	(9,514)
Property, plant and equipment, intangible and investment impairment		**(569,091)**	(1,382)	**(214,000)**	-
Finance costs	3(C)	**(179,291)**	(211,919)	**(2)**	(5)
Net (loss)/profit from operations before income tax expense		**(351,416)**	523,173	**(266,627)**	32,432
Income tax (expense)/benefit	5	**(29,672)**	(135,683)	**21,452**	26,754
Net (loss)/profit from operations after income tax expense		**(381,088)**	387,490	**(245,175)**	59,186
Net loss/(profit) attributable to minority interest	26	**1,038**	(612)	**-**	-
Net (loss)/profit attributable to members of the Company		**(380,050)**	386,878	**(245,175)**	59,186
Earnings per share (cents per share)					
Basic (loss)/earnings per share (cents per share)	27	**(21.6)**	22.9		
Diluted (loss)/earnings per share (cents per share)	27	**(21.6)**	22.5		

The above Income Statements should be read in conjunction with the accompanying Notes.

Consolidated Balance Sheets

Fairfax Media Limited and Controlled Entities as at 28 June, 2009

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
CURRENT ASSETS					
Cash and cash equivalents	37(B)	**69,124**	93,864	**1,680**	680
Trade and other receivables	7	**358,210**	499,126	**1,652,813**	1,277,111
Inventories	8	**40,055**	44,801	**-**	-
Derivative assets	16	**173**	3,519	**-**	-
Assets held for sale	9	**6,062**	2,222	**-**	-
Income tax receivable		**35,978**	-	**25,829**	-
Other current assets	10	**-**	11,610	**-**	-
Total current assets		**509,602**	655,142	**1,680,322**	1,277,791
NON-CURRENT ASSETS					
Receivables	7	**2,474**	3,683	**398,566**	401,122
Investments accounted for using the equity method	11	**46,668**	45,690	**-**	-
Available for sale investments	12	**2,157**	3,547	**-**	-
Held to maturity investments	13	**13,216**	14,686	**-**	-
Intangible assets	14	**5,888,547**	6,492,640	**7,948**	14,044
Property, plant and equipment	15	**863,719**	875,181	**12,507**	16,839
Derivative assets	16	**152,742**	59,417	**-**	-
Pension assets	17(A)	**-**	5,542	**-**	-
Deferred tax assets	18(A)	**114,907**	128,561	**10,706**	9,200
Other financial assets	19	**1,175**	122	**2,924,215**	3,143,723
Other non-current assets	10	**-**	8,890	**-**	-
Total non-current assets		**7,085,605**	7,637,959	**3,353,942**	3,584,928
Total assets		**7,595,207**	8,293,101	**5,034,264**	4,862,719
CURRENT LIABILITIES					
Payables	20	**300,479**	330,045	**14,946**	15,900
Interest bearing liabilities	21	**183,557**	15,816	**-**	-
Derivative liabilities	16	**26,757**	1,006	**-**	-
Provisions	22	**128,692**	159,837	**7,202**	7,385
Current tax liabilities		**2,454**	5,456	**-**	14,279
Total current liabilities		**641,939**	512,160	**22,148**	37,564
NON-CURRENT LIABILITIES					
Interest bearing liabilities	21	**1,724,708**	2,496,133	**-**	-
Derivative liabilities	16	**47,730**	121,251	**-**	-
Deferred tax liabilities	18(A)	**116,595**	148,931	**9,867**	7,643
Provisions	22	**49,003**	45,398	**401**	703
Pension liabilities	17(A)	**2,685**	-	**-**	-
Other non-current liabilities		**757**	3,894	**-**	-
Total non-current liabilities		**1,941,478**	2,815,607	**10,268**	8,346
Total liabilities		**2,583,417**	3,327,767	**32,416**	45,910
NET ASSETS		**5,011,790**	4,965,334	**5,001,848**	4,816,809
EQUITY					
Contributed equity	23	**4,928,122**	4,318,409	**4,934,237**	4,324,524
Reserves	24	**(163,381)**	(186,063)	**3,987**	1,750
Retained profits	25	**237,604**	821,987	**63,624**	490,535
Total parent entity interest		**5,002,345**	4,954,333	**5,001,848**	4,816,809
Minority interest	26	**9,445**	11,001	**-**	-
TOTAL EQUITY		**5,011,790**	4,965,334	**5,001,848**	4,816,809

The above Balance Sheets should be read in conjunction with the accompanying Notes.

Consolidated Statements of Recognised Income and Expense

Fairfax Media Limited and Controlled Entities for the period ended 28 June, 2009

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Amounts recognised directly in equity				
Cashflow hedge reserve, net of tax	**(8,021)**	22,046	**-**	-
Net investment hedge reserve, net of tax	**(586)**	24,281	**-**	-
Foreign currency translation reserve, net of tax	**28,219**	(250,865)	**-**	-
Changes in fair value of available for sale assets, net of tax	**833**	(801)	**-**	-
Actuarial loss on defined benefit plans, net of tax	**(5,093)**	(4,315)	**-**	-
Tax benefits recognised directly in equity	**7,502**	8,427	**-**	-
Reclassification of tax benefits to equity	**-**	7,833	**-**	-
Net income/(expense) recognised directly in equity	**22,854**	(193,394)	**-**	-
Net (loss)/profit from continuing operations after income tax expense	**(381,088)**	387,490	**(245,175)**	59,186
Total recognised income and expense for the financial period	**(358,234)**	194,096	**(245,175)**	59,186
Total recognised income and expense attributable to minority interest	**1,038**	(612)	**-**	-
Total recognised income and expense attributable to members of the Company	**(357,196)**	193,484	**(245,175)**	59,186

The above Statements of Recognised Income and Expense should be read in conjunction with the accompanying Notes.

Consolidated Cash Flow Statement

Fairfax Media Limited and Controlled Entities for the period ended 28 June, 2009

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		**2,957,559**	3,192,965	**-**	673
Payments to suppliers and employees (inclusive of GST)		**(2,327,923)**	(2,461,003)	**(77,029)**	(76,173)
Interest received		**4,673**	25,177	**40,512**	26,509
Dividends and distributions received		**3,411**	8,837	**-**	100,000
Finance costs paid		**(182,962)**	(209,511)	**(2)**	(6)
Net income taxes paid		**(69,861)**	(136,219)	**4,180**	(26,636)
Net cash inflow/(outflow) from operating activities	37(A)	**384,897**	420,246	**(32,339)**	24,367
Cash flows from investing activities					
Payment for purchase of controlled entities, associates and joint ventures (net of cash acquired)		**(59,191)**	(586,735)	**-**	(1,389)
Payment for purchase of businesses, including mastheads		**(6,738)**	(8,189)	**-**	-
Payment for property, plant, equipment and software		**(106,284)**	(115,403)	**(409)**	(7,031)
Proceeds from sale of property, plant and equipment		**16,431**	5,181	**4**	-
Proceeds from sale of investments and other assets		**108,449**	6,481	**-**	-
Payments for convertible notes		**(1,100)**	-	**-**	-
Loans advanced to controlled entities		**-**	-	**(400,316)**	-
Loans advanced to other parties		**(17,056)**	-	**-**	-
Loans repaid by controlled entities		**-**	-	**-**	150,085
Net cash (outflow)/inflow from investing activities		**(65,489)**	(698,665)	**(400,721)**	141,665
Cash flows from financing activities					
Proceeds from issue of shares		**624,640**	91,808	**624,640**	91,808
Proceeds from issue of shares to minority interest shareholders		**80**	-	**-**	-
Share issue costs		**(12,131)**	-	**(12,131)**	-
Payment for shares acquired by employee share trust		**(12,443)**	(14,621)	**(12,443)**	(14,621)
Proceeds from borrowings and other financial liabilities		**22,511**	352,763	**-**	-
Repayment of borrowings and other financial liabilities		**(750,884)**	(150,149)	**-**	-
Repayment of medium term notes		**(27,132)**	-	**-**	-
Payments of facility fees		**(1,908)**	-	**-**	-
Dividends and distributions paid to shareholders including SPS*		**(191,012)**	(268,844)	**(166,006)**	(243,226)
Dividends paid to minority interests in subsidiaries		**(461)**	(570)	**-**	-
Net cash (outflow)/inflow from financing activities		**(348,740)**	10,387	**434,060**	(166,039)
Net (decrease)/increase in cash and cash equivalents held		**(29,332)**	(268,032)	**1,000**	(7)
Cash and cash equivalents at beginning of the financial year		**93,864**	366,307	**680**	687
Effect of exchange rate changes on cash and cash equivalents		**4,592**	(4,411)	**-**	-
Cash and cash equivalents at end of the financial year	37(B)	**69,124**	93,864	**1,680**	680

* Under the terms of the DRP, $15.7 million (2008: $56.2 million) of dividends were paid via the issue of 5,558,472 ordinary shares (2008: 12,820,970 ordinary shares). A cash dividend payment of $166.0 million (2008: $243.2 million) was made to ordinary shareholders that did not elect to participate in the DRP.
Total cash dividends for the year totalled $191.0 million (2008: $268.8 million); this includes $25.0 million (2008: $25.6 million) made to stapled preference shareholders (SPS).

The above Cash Flow Statements should be read in conjunction with the accompanying Notes.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Fairfax Media Limited as an individual entity and the consolidated entity consisting of Fairfax Media Limited and its controlled entities.

The financial report is for the period 30 June 2008 to 28 June 2009 (2008: the period 2 July 2007 to 29 June 2008). Reference in this report to 'a year' is to the period ended 28 June 2009 or 29 June 2008 respectively, unless otherwise stated.

(A) BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authorative pronouncements of the Australian Accounting Standards Board. The financial report also complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

As at 28 June 2009, the consolidated entity has net current liabilities of $132.3 million. The consolidated entity has sufficient committed but unused facilities at the balance sheet date to finance its liabilities as and when they fall due, including maturing liabilities as disclosed in Note 21(B). In the opinion of the directors, Fairfax Media Limited will be able to continue to pay its debts as and when they fall due. As a result the financial report of the Company and its controlled entities has been prepared on a going concern basis.

Historical cost convention

These financial statements have been prepared on a going concern basis and on the basis of historical cost principles except for derivative financial instruments and certain financial assets which are measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Comparatives

Certain comparative amounts have been reclassified to be consistent with current year presentation.

(B) PRINCIPLES OF CONSOLIDATION

(i) Controlled entities

The consolidated financial statements incorporate the assets and liabilities of the Company, Fairfax Media Limited, and its controlled entities. Fairfax Media Limited and its controlled entities together are referred to in this financial report as the Group or the consolidated entity.

Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of controlled entities by the Group (refer to Note 1(C)). All inter-entity transactions, balances and unrealised gains on transactions between Group entities have been eliminated in full.

Minority interest in the earnings and equity of controlled entities is shown separately in the consolidated income statement and balance sheet respectively.

(ii) Associates and joint ventures

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method. Associates are entities over which the Group has significant influence and are neither subsidiaries or joint ventures.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses are recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates and joint ventures are recognised in the consolidated financial statements as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in associates and joint ventures.

(C) ACCOUNTING FOR ACQUISITIONS

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the net identifiable assets acquired represents goodwill (refer to Note 1(E)(i)).

(D) IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash generating unit is the grouping of assets at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

At each balance date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(E) INTANGIBLES

(i) Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is allocated to cash-generating units for the purposes of impairment testing (refer Note 1(D)). Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other intangible assets

Mastheads and tradenames

The newspaper mastheads and tradenames have been assessed to have indefinite useful lives. Accordingly, they are not amortised, instead they are tested for impairment annually, or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

The Group's mastheads and tradenames operate in established markets with limited license conditions and are expected to continue to complement the Group's new media initiatives. On this basis, the directors have determined that mastheads and tradenames have indefinite lives as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group.

Radio licences

Radio licences, being commercial radio licences held by the consolidated entity under the provisions of the Broadcasting Services Act 1992, have been assessed to have indefinite useful lives. Accordingly, they are not amortised, instead they are tested for impairment annually, or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

Web-Sites

Internal and external costs directly incurred in the development of web-sites are capitalised and amortised using a straight-line method over the assessed useful lives of the web-sites. Capitalised web-site costs are reviewed annually for potential impairment.

Computer software

Acquired computer software licences are capitalised as an intangible as are internal and external costs directly incurred in the purchase or development of computer software, including subsequent upgrades and enhancements when it is probable that they will generate future economic benefits attributable to the consolidated entity. These costs are amortised using the straight-line method over three to five years.

Other

Other intangibles, where applicable, are stated at cost less accumulated amortisation and impairment losses. The useful lives of the intangible assets are assessed to be either finite or indefinite and are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Other intangible assets created within the business are not capitalised and are expensed in the income statement in the period the expenditure is incurred.

Intangible assets are tested for impairment annually (refer to Note 1(D)).

(F) FOREIGN CURRENCY

(i) Currency of presentation

All amounts are expressed in Australian dollars, which is the parent entity and consolidated entity’s presentation currency. Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign operation and qualifying cash flow hedges, which are deferred in equity until disposal. Tax charges and credits attributable to exchange differences on borrowings are also recognised in equity.

Translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Translation differences on non-monetary items, such as available for sale financial assets, are translated using the exchange rates at the date when the fair value was determined and included in the asset revaluation reserve in equity.

(iii) Group entities

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the borrowings designated as hedges of the net investment in foreign entities are taken directly to a separate component of equity, the net investment hedge reserve.

On disposal of a foreign entity, or borrowings that form part of the net investment are repaid, the deferred cumulative amount of the exchange differences in the net investment hedge reserve relating to that foreign operation is recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(G) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the amount of the revenue can be reliably measured. Advertising and circulation revenue from the sale of newspapers, magazines and other publications is recognised on publication net of expected returns and pricing adjustments. Revenue from rendering of services is recognised when control of a right to be compensated for the services has been attained and the stage of completion of the service contract can be reliably measured. Stage of completion is measured by reference to the services performed to date as a percentage of total estimated services to be performed for each contract. If a contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Revenue from dividends and distributions from controlled entities are recognised by the Company when they are declared by the controlled entities.

Interest is recognised as it accrues, taking into account the effective yield on the financial asset.

Revenue from the contribution of services and materials during the production of television programs and the licensing of copyright is recognised when the program is available for delivery, the contract is fully executed and the collectability is reasonably assured. Revenue from the provision of production services is recognised in accordance with the agreement for the project and is brought to account on a stage-of-completion basis. Revenue from royalties due from the ownership of a program copyright is recognised on an accrual basis in accordance with the agreement and is only brought to account where the amount of the royalty can be reliably estimated and collection is reasonably assured.

(H) INCOME TAX AND OTHER TAXES

The income tax expense or benefit for the period is the tax payable on the current period’s taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributed to temporary differences and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are stated with the amount of GST included.

This net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cashflows are included in the cash flow statement on a gross basis and the GST component of cashflows arising from investing and financing activities, which are recoverable from, or payable to the taxation authority are classified as operating cashflows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Tax consolidation - Australia

Fairfax Media Limited (the head entity) and its wholly-owned Australian entities have implemented the tax consolidation legislation as of 1 July 2003. The current and deferred tax amounts for each member in the tax consolidated group (except for the head entity) have been allocated based on stand-alone calculations that are modified to reflect membership of the tax consolidated group.

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default of the head entity, Fairfax Media Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Fairfax Media Limited for any current tax payable assumed and are compensated by the Company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits transferred to Fairfax Media Limited under the tax consolidation legislation. Assets or liabilities arising under tax funding arrangements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group. The amounts receivable/payable under the tax funding arrangements are due upon demand from the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

(I) LEASES

(i) Finance leases

Assets acquired under finance leases which result in the consolidated entity receiving substantially all the risks and rewards of ownership of the asset are capitalised at the lease's inception at the lower of the fair value of the leased property or the estimated present value of the minimum lease payments. The corresponding finance lease obligation, net of finance charges, is included within interest bearing liabilities. The interest element is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remaining balance of the liability for each accounting period. The leased asset is included in property, plant and equipment and is depreciated over the shorter of the estimated useful life of the asset or the lease term.

(ii) Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Net rental payments, excluding contingent payments, are recognised as an expense in the income statement on a straight-line basis over the period of the lease.

(iii) Onerous property costs

Property leases are considered to be an onerous contract if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Where a decision has been made to vacate the premises or there is excess capacity and the lease is considered to be onerous, a provision is recorded.

(J) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term investments with original maturities of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value. Bank overdrafts are shown within interest bearing liabilities in current liabilities on the balance sheet.

(K) TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost which is the original invoice amount less an allowance for any uncollectible amount. Collectability of trade receivables is reviewed on an ongoing basis and a provision for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts.

Interest receivable on related party loans is recognised on an accruals basis.

(L) INVENTORIES

Inventories including work in progress are stated at the lower of cost and net realisable value. The methods used to determine cost for the main items of inventory are:

- raw materials (comprising mainly newsprint and paper on hand) are assessed at average cost and newsprint and paper in transit by specific identification cost;
- finished goods and work-in-progress are assessed as the cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity; and
- in the case of other inventories, cost is assigned by the weighted average cost method.

Program copyright

Expenditure incurred in relation to film and television program copyright is capitalised and allocated against future licensing revenue. Licensing revenue forecasts are reviewed when events or changes in circumstances indicate that forecasts are unachievable, and the remaining capitalised balance is written down to net realisable value. Costs of developing new program concepts are expensed if the program does not proceed.

(M) AVAILABLE FOR SALE INVESTMENTS

Available for sale financial assets are investments in listed equity securities in which the Group does not have significant influence or control. They are stated at fair value based on current quoted prices and unrealised gains and losses arising from changes in the fair value are recognised in the asset revaluation reserve. The assets are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

(N) INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held to maturity, re-evaluates this designation at each reporting date.

The consolidated entity classifies and measures its investments as follows:

(i) Financial assets at fair value through profit and loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit and loss on initial recognition. The policy of management is to designate a financial asset at fair value through profit and loss if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. These assets are measured at fair value and realised and unrealised gains and losses arising from changes in fair value are included in the income statement in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are included in receivables in the balance sheet and measured at amortised cost using the effective interest method.

(iii) Other financial assets

These assets are non-derivatives that are either designated or not classified in any of the other categories and measured at fair value. Any unrealised gains and losses arising from changes in fair value are included in equity, impairment losses are included in profit and loss. Investments in partnerships are carried at cost less impairment loss.

(iv) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. These assets are measured at amortised cost using the effective interest method.

Financial assets other than derivatives are recognised at fair value or amortised cost in accordance with the requirements of AASB 139 *Financial Instruments: Recognition and Measurement.* Where they are carried at fair value, gains and losses on remeasurement are recognised directly in equity unless the financial assets have been designated as being held at fair value through profit and loss, in which case the gains and losses are recognised directly in the income statement.

All financial liabilities other than derivatives are carried at amortised cost.

The Group uses derivative financial instruments such as forward foreign currency contracts, and foreign currency and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Derivatives, including those embedded in other contractual arrangements, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The measurement of the fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Hedge accounting
For the purposes of hedge accounting, hedges are classified as either fair value hedges (hedges of the fair value of recognised assets or liabilities or a firm commitment) or cash flow hedges (hedges of highly probable forecast transactions).

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Any gain or loss attributable to the hedged risk on remeasurement of the hedged item is adjusted against the carrying amount of the hedged item and recognised in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument the adjustment is amortised to the income statement such that it is fully amortised by maturity.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss, for example when the future sale actually occurs.

The consolidated entity's interest rate swaps and cross currency swaps held for hedging purposes are generally accounted for as cash flow hedges.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

Derivatives that do not qualify for hedge accounting
For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement.

(O) OTHER ASSETS

Film investments
Costs associated with acquiring film investments are capitalised and allocated against future licensing revenue. Licensing revenue forecasts are reviewed regularly and when lower than the capitalised balance the remaining amount is written down to its recoverable amount. Classification of film investments between current and non current is based on when the amounts will be allocated.

Distribution advances and costs

Advances and costs incurred for television program distribution rights are capitalised and allocated against future licensing revenue. An allowance for unrecoupable advances and costs is recorded where the amount is not expected to be fully recoverable out of future licensing revenue. Classification of distribution advances and costs between current and non current is based on when the amounts will be allocated.

(P) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at cost less depreciation and where applicable an impairment provision. Directly attributable costs arising from the acquisition or construction of fixed assets, including internal labour and interest, are also capitalised as part of the cost.

Recoverable amount

All items of property, plant and equipment are reviewed annually to ensure carrying values are not in excess of recoverable amounts. Recoverable amounts are based upon the present value of expected future cashflows.

Depreciation and amortisation

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Buildings	up to 60 years
Printing presses	up to 20 years
Other production equipment	up to 15 years
Other equipment	up to 40 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with carrying amount. These are included in the income statement.

(Q) TRADE AND OTHER PAYABLES

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received. Loans payable to related parties are carried at amortised cost and interest payable is recognised on an accruals basis.

(R) PROVISIONS

Provisions are recognised when the Group has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to others as a result of past transactions, or past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before balance date.

(S) INTEREST BEARING LIABILITIES

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Finance lease liabilities are determined in accordance with the requirements of AASB 117 Leases (refer to Note 1(I)).

Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation or ancillary costs incurred in connection with arrangement of borrowings and foreign exchange losses net of hedged amounts on borrowings, including trade creditors and lease finance charges.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the asset. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate. There were no borrowing costs capitalised during either of the past two financial years.

(T) EMPLOYEE BENEFITS

(i) Wages, salaries, annual leave and long service leave

Current liabilities for wages and salaries, holiday pay, annual leave and long service leave are recognised in the provision for employee benefits and measured at the amounts expected to be paid when the liabilities are settled.

The employee benefit liability expected to be settled within twelve months from balance date is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are expected to be payable after twelve months from balance date and are measured as the present value of expected future payments to be made in respect of services, employee departures and periods of service. Expected future payments are discounted using market yields at balance date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(ii) Share-based payment transactions

Share based compensation benefits can be provided to employees in the form of shares and/or options. No options have been issued by the Company since the 2001 financial year.

The cost of share based payments is recognised over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each reporting date until vesting, the cumulative charge to the income statement is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The market value of shares issued to employees for no cash consideration under the Long Term Incentive Share Plan is recognised as an employee benefits expense over the vesting period (refer to Note 33).

Shares purchased, but which have not yet vested to the employee as at reporting date are offset against contributed equity of the Group (refer to Note 1(U)).

(iii) Defined benefit superannuation plans
Fairfax Media Limited and certain controlled entities participate in a number of superannuation plans.

An asset or liability in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses), less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the balance date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Actuarial gains and losses are recognised in retained earnings in the periods in which they arise.

Contributions made by the Group to defined contribution superannuation funds are charged to the income statement in the period the employee’s service is provided.

(iv) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(v) Bonus plans
The Group recognises a provision and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

(U) CONTRIBUTED EQUITY
Ordinary shares are classified as equity. Stapled preference shares are classified as equity (refer Note 23(C)).

Incremental costs directly attributable to the issue of new shares or options are recognised in equity as a reduction from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Group reacquired its own equity instruments, e.g. under the Long Term Incentive Plan, those instruments are deducted from equity.

Debentures
Debentures have been included as equity as the rights attaching to them are in all material respects comparable to those attaching to the ordinary shares. Such debentures are unsecured non-voting securities that have interest entitlements equivalent to the dividend entitlements attaching to the ordinary voting shares and rank equally with such shares on any liquidation or winding up. These interest entitlements are treated as dividends.

The debentures are convertible into shares on a one-for-one basis at the option of the holder provided that conversion will not result in a breach of any of the following:

(i) any provision of the Foreign Acquisitions and Takeovers Act 1975;

(ii) any undertaking given by the Company to the Foreign Investment Review Board or at the request of the Foreign Investment Review Board from time to time; or

(iii) any other applicable law including, without limitation the Broadcasting Act 1942.

(V) EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to members, adjusted to exclude costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the basic EPS earnings adjusted by the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

(W) SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Business segments are the consolidated entity's primary reporting format.

(X) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next financial year are:

(i) Impairment of goodwill and intangibles with indefinite useful lives

The Group tests annually whether goodwill and intangible assets with indefinite useful lives are impaired. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are detailed in Note 14.

(ii) Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

(iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 33.

The Group measures the cost of share-based payments at fair value at the grant date using the Monte Carlo formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 33.

(iv) Defined benefit plans

Various actuarial assumptions are required when determining the Group's superannuation plan obligations. These assumptions and the related carrying amounts are discussed in Note 17.

(v) Held to maturity investments

The Group follows the AASB 139 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity.

If the Group fails to keep these investments to maturity other than for specific circumstances explained in AASB 139, it will be required to reclassify the whole class as available for sale. The investments would therefore be measured at fair value not amortised cost which would result in a corresponding entry in the fair value reserve in shareholders' equity. Furthermore, the entity would not be able to classify any financial assets as held to maturity for the following two financial years.

(Y) ROUNDING OF AMOUNTS

The consolidated entity is of a kind referred to in Class Order 98/0100, as amended by Class Order 04/667, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the financial report. Amounts in this report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(Z) NEW ACCOUNTING STANDARDS AND UIG INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 28 June 2009 reporting periods. The Group and the Company's assessment of the impact of these new standards and interpretations is set out below:

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. The amendments may have an impact on the Group's segment disclosures in fiscal 2010.	29 June 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Group has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.	29 June 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	29 June 2009

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	29 June 2009
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	These amendments are not expected to have any impact on the Group's financial report as the Group does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	29 June 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Group has not yet concluded on which accounting policy to adopt.	29 June 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	1 July 2009	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	29 June 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above	29 June 2009
Amendments to International Financial Reporting Standards	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Group enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.	29 June 2009

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
Amendments to International Financial Reporting Standards	Improvements to IFRSs	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	The Group has not yet determined the extent of the impact of the amendments, if any.	29 June 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	This interpretation proposes that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arising between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 January 2009	The Interpretation is unlikely to have any impact on the Group since it does not significantly restrict the hedged risk or where the hedging instrument can be held.	29 June 2009
AASB Int.17 and AASB 2008-13	Distributions of Non-cash Assets to Owners and consequential amendments to Australian Accounting Standards AASB 5 and AASB 110	The interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. This applies to transactions commonly referred to as spin-offs, split offs or demergers and in-specie distributions	1 July 2009	The interpretation is unlikely to have any impact on the Group.	29 June 2009
AASB Int 18	Transfers of Assets from Customers	This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The interpretation provides guidance on when and how an entity should recognise such assets and discusses the timing of revenue recognition for such arrangements and requires that once the asset meets the condition to be recognised at fair value, it is accounted for as an exchange transaction.	Applies prospectively to transfers of assets from customers received on or after 1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	29 June 2009
AASB 2008-8	Amendments to Australian Accounting Standards - Eligible Hedged Items	The amendment to AASB 139 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item is being hedged and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	29 June 2009
AASB 2009-2	Amendments to Australian Accounting Standard- Improving Disclosures about Financial Instruments (AASB 4,AASB 7, AASB 1023 & AASB 1038)	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: - quoted prices in active markets for identical assets or liabilites(level1) - inputs other than quoted price included in level 1 that are observable for the asset or liability, either directly or indirectly; and- inputs for the assets or liabilities that are not based on observable market data. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	1 January 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	29 June 2009

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 2 and AASB 138 and AASB Intp 9 & 16)	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance is that made to IFRIC 16 which allows qualifying hedge instruments to be held by and entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedge relationships will be eligible for hedge accounting as a result of the amendment.	1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	29 June 2009
AASB 2009-5	Further amendments to Australian Accounting Standards arising from the Annual Improvement Project (AASB 5,8,101,117, 118, 136 & 139)	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	1 January 2010	No major impact expected on the Group.	28 June 2010
Amendments to International Financial Reporting Standards	Amendments to IFRS 2	The amendments clarify the accounting for group cash settled share based payment transactions in particular the scope of AASB 2 and the interaction between IFRS2 and other standards. An entity that receives goods or services in a share based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction and no matter whether the transaction is settled in shares or cash. The amendments also incorporate guidance previously included in IFRIC 2 and IFRIC 11/IFRS 2-Group and Treasury Share Transactions. As a result, IFRIC 8 & 11 have been withdrawn.	1 January 2010	The Group has not yet determined the extent of the impact of the amendments, if any.	28 June 2010

*designates the beginning of the applicable annual reporting period unless otherwise stated

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
2. Revenues				
(A) REVENUE FROM OPERATIONS				
Revenue generated from sales of:				
Newspapers and magazines	**1,977,187**	2,276,638	**-**	-
Broadcasting	**106,320**	77,538	**-**	-
Television production	**57,046**	98,176	**-**	-
Online and other	**359,371**	327,508	**152**	1,445
Total revenue from sale of goods	**2,499,924**	2,779,860	**152**	1,445
Revenue from printing and other services	**99,208**	120,895	**-**	-
Total sales revenue	**2,599,132**	2,900,755	**152**	1,445
(B) OTHER REVENUE AND INCOME				
Interest income				
Wholly owned controlled entities	**-**	-	**40,270**	26,368
Other corporations	**4,430**	25,044	**242**	141
Dividend/distribution revenue				
Wholly owned controlled entities	**-**	-	**-**	100,000
Other corporations	**36**	128	**-**	-
Net gain on sale of property, plant and equipment	**757**	2,430	**-**	-
Net gain on foreign exchange	**-**	2,933	**-**	-
Other	**5,167**	2,717	**-**	-
Total other revenue and income	**10,390**	33,252	**40,512**	126,509
Total revenue and income	**2,609,522**	2,934,007	**40,664**	127,954

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
3. Expenses				
(A) EXPENSES BEFORE IMPAIRMENT, DEPRECIATION, AMORTISATION AND FINANCE COSTS				
Staff costs excluding staff redundancy costs	**939,358**	951,943	**26,424**	35,654
Staff redundancy costs	**79,727**	11,423	**11,631**	7,446
Newsprint and paper	**265,161**	311,807	**-**	-
Distribution and other production costs	**289,810**	313,006	**-**	2
Promotion and advertising costs	**115,143**	108,572	**158**	343
Rent and outgoings	**68,115**	62,434	**3,989**	1,538
Repairs and maintenance	**32,139**	32,426	**2,051**	6,769
Communication costs	**25,663**	24,056	**1,931**	931
News services	**18,843**	16,522	**70**	31
Computer costs	**22,316**	19,917	**7,005**	5,884
Fringe benefits tax, travel and entertainment	**30,030**	34,886	**1,126**	2,263
Royalties and copyright payments	**24,826**	44,985	**123**	10
Professional fees	**40,849**	35,947	**10,614**	9,942
Other	**145,070**	130,049	**20,804**	15,190
Total expenses before impairment, depreciation, amortisation, and finance costs	**2,097,050**	2,097,973	**85,926**	86,003
(B) DEPRECIATION AND AMORTISATION				
Depreciation of freehold property	**5,199**	4,860	**-**	-
Depreciation of plant and equipment	**80,227**	79,834	**2,523**	7,183
Amortisation of leasehold property/buildings	**2,905**	2,303	**181**	41
Amortisation of software	**27,307**	19,385	**4,659**	2,290
Amortisation of customer relationships	**1,918**	1,913	**-**	-
Total depreciation and amortisation	**117,556**	108,295	**7,363**	9,514
(C) FINANCE COSTS				
Finance costs				
External corporations/persons	**174,503**	207,124	**2**	5
Finance lease	**4,788**	4,795	**-**	-
Total finance costs	**179,291**	211,919	**2**	5
(D) DETAILED EXPENSE DISCLOSURES				
Operating lease rental expense	**48,965**	43,583	**3,199**	507
Defined contribution fund expense	**58,222**	56,053	**2,439**	2,460
Share based payments expense	**2,237**	4,429	**2,237**	4,429
Net foreign exchange loss	**2,152**	-	**-**	-

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
4. Significant items				
The profit after tax from operations includes the following items where disclosure is relevant in explaining the financial performance of the consolidated entity.				
Property - Comprising:				
Property costs associated with the relocation from Darling Park to the new facility at One Darling Island, Pyrmont	**-**	(2,398)	**-**	-
Onerous lease property costs *	**(8,857)**	-	**-**	-
Income tax benefit	**2,657**	719	**-**	-
Property loss, net of tax	**(6,200)**	(1,679)	**-**	-
Intangible and investment impairments - Comprising:				
Impairment of mastheads, licences, goodwill and investments	**(512,987)**	-	**(214,000)**	-
Loss on sale of Southern Star Group	**(38,721)**	-	**-**	-
Income tax benefit	**6,558**	-	**-**	-
Intangibles and investment impairments, net of tax	**(545,150)**	-	**(214,000)**	-
Property, plant and equipment impairment and restructuring - Comprising:				
Impairment of property, plant and equipment	**(23,228)**	778	**-**	-
Restructuring and redundancy charges	**(85,694)**	(10,419)	**-**	-
Income tax benefit	**32,668**	2,893	**-**	-
Property, plant and equipment impairment and restructuring, net of tax	**(76,254)**	(6,748)	**-**	-
Gain on repurchase of medium term notes	**5,167**	-	**-**	-
Net significant and non-recurring items after income tax expense	**(622,437)**	(8,427)	**(214,000)**	-

* Onerous lease property costs include costs resulting from excess space due to restructure and relocation to new premises in the Group and the resulting write off of assets and fixtures that could not be relocated.

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
5. Income tax expense				
Income tax expense is reconciled to prima facie income tax payable as follows:				
Net (loss)/profit before income tax expense	**(351,416)**	523,173	**(266,627)**	32,432
Prima facie income tax at 30% (2008: 30%)	**(105,425)**	156,952	**(79,988)**	9,730
Tax effect of differences:				
Share of net losses/(profits) of associates and joint ventures	**21**	(1,476)	**-**	-
Capital gains taxable/(not taxable)	**9,397**	(6,017)	**1,652**	-
Non assessable dividends	**(9)**	(74)	**-**	(30,000)
Over provision in prior financial years	**(8,592)**	(2,633)	**(5,763)**	(2,396)
Overseas tax rate and accounting differentials	**(20,428)**	(13,876)	**-**	-
Temporary differences not recognised on intangible and other asset write-offs	**151,004**	-	**64,200**	-
Non-deductible items	**2,286**	2,555	**430**	1,519
Non-deductible depreciation and amortisation	**16**	-	**-**	-
Intragroup provision transfers	**-**	-	**(1,645)**	(5,607)
Other	**1,402**	252	**(338)**	-
Income tax expense/(benefit)	**29,672**	135,683	**(21,452)**	(26,754)
Current income tax expense/(benefit)	**21,473**	156,532	**(21,673)**	(20,548)
Deferred income tax expense/(benefit)	**16,791**	(18,216)	**5,984**	(3,810)
Over provision in prior financial years	**(8,592)**	(2,633)	**(5,763)**	(2,396)
Income tax expense/(benefit) in the income statement	**29,672**	135,683	**(21,452)**	(26,754)

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
6. Dividends paid and proposed				
(A) ORDINARY SHARES				
Interim 2009 75% franked dividend: 2 cents - paid 19 March 2009 (2008: 75% franked 10 cents - paid 31 March 2008)	**30,382**	151,418	**30,382**	151,418
Final 2008 75% franked dividend: 10 cents - paid 2 October 2008 (2007: fully franked 10 cents - paid 27 September 2007)	**151,354**	147,964	**151,354**	147,964
Total dividends paid - ordinary shares	**181,736**	299,382	**181,736**	299,382
(B) STAPLED PREFERENCE SHARES (SPS)				
SPS dividend:				
2009: $3.3580 per share - paid 30 April 2009	**10,276**	-	**-**	-
2009: $4.8138 per share - paid 31 October 2008	**14,730**	-	**-**	-
2008: $4.3341 per share - paid 30 April 2008	**-**	13,262	**-**	-
2008: $4.0404 per share - paid 31 October 2007	**-**	12,356	**-**	-
Total dividends paid - SPS	**25,006**	25,618	**-**	-
Total dividends paid	**206,742**	325,000	**181,736**	299,382

(C) DIVIDENDS PROPOSED AND NOT RECOGNISED AS A LIABILITY

Since balance date no dividends have been declared.

	Company 2009 $'000	Company 2008 $'000
(D) FRANKED DIVIDENDS		
Franking account balance as at balance date at 30% (2008: 30%)	**1,158**	10,030
Franking credits that will arise from the payment of income tax payable balances as at the end of the financial year	**-**	7,927
Total franking credits available for subsequent financial years based on a tax rate of 30%	**1,158**	17,957

On a tax-paid basis, the Company's franking account balance is approximately $1.2 million (2008: $10.0 million). The Company expects to have sufficient franking account credits arising from payment of income tax payable.

7. Receivables

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Current				
Trade debtors *	**311,521**	439,427	**-**	-
Provision for doubtful debts	**(9,839)**	(9,515)	**-**	-
	301,682	429,912	**-**	-
Loans to related parties **	**-**	-	**1,651,230**	1,273,644
Loans and deposits	**15,936**	274	**21**	-
Prepayments	**11,264**	16,771	**1,236**	2,624
Other	**29,328**	52,169	**326**	843
Total current receivables	**358,210**	499,126	**1,652,813**	1,277,111
Non-current				
Loans to related parties ***	**-**	-	**398,566**	398,566
Loans and deposits	**2,189**	1,102	**-**	-
Prepayments	**-**	2,008	**-**	2,008
Other	**285**	573	**-**	548
Total non-current receivables	**2,474**	3,683	**398,566**	401,122

* Trade debtors are non-interest bearing and are generally on 7 to 45 day terms

** Loans to related parties current are non-interest bearing and are repayable at call

*** Loans to related parties non-current are interest bearing deriving interest of 9.5% p.a. and are repayable on 27 June 2015, although this term may be extended upon mutual agreement of the parties

IMPAIRED TRADE DEBTORS

As at 28 June 2009, trade debtors of the Group with a nominal value of $9.8 million (2008: $9.5m) were impaired and fully provided for. Refer to Note 38(C) for the factors considered in determining whether trade debtors are impaired.

As at 28 June 2009, an analysis of trade debtors that are not considered as impaired is as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Not past due	**158,656**	239,371	**-**	-
Past due 0 - 30 days	**115,251**	148,590	**-**	**-**
Past due 31 - 60 days	**14,246**	21,151	**-**	**-**
Past 60 days	**13,529**	20,800	**-**	**-**
	301,682	429,912	**-**	**-**

Based on the credit history of these receivables, it is expected these amounts will be received. All other receivables do not contain impaired assets and are not past due.

Movements in the provision for doubtful debts are as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000
Balance at the beginning of the financial year	**9,515**	5,711
Additional provisions	**5,982**	4,081
Acquisition of controlled entities	**-**	2,469
Utilised	**(5,691)**	(2,566)
Exchange differences	**33**	(180)
Balance at the end of the financial year	**9,839**	**9,515**

8. Inventories

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Raw materials and stores - at net realisable value	**37,019**	39,225	**-**	-
Finished goods - at cost	**2,962**	3,852	**-**	-
Work in progress - at cost	**74**	1,724	**-**	-
Total inventories	**40,055**	44,801	**-**	-

9. Assets held for sale

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Freehold land and buildings	**6,062**	2,222	**-**	-
Total assets held for sale	**6,062**	2,222	**-**	-

A decision was taken prior to 28 June 2009 to sell two properties based in Australia and the UK. On remeasure of the properties at the lower of carrying amount and fair value less costs to sell, an impairment charge of $1.2 million was recognised against the assets. The sale of the Australian based property is due to settle in the next nine months. The UK property is being actively marketed.

10. Other assets

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Current				
Distribution advances and costs	**-**	5,903	**-**	-
Film investments	**-**	12,449	**-**	-
Provision for impairment of film investments	**-**	(6,742)	**-**	-
	-	5,707	**-**	-
Total other current assets	**-**	11,610	**-**	-
Non-current				
Distribution advances and costs	**-**	29,847	**-**	-
Provision for impairment of distribution advances and costs	**-**	(20,957)	**-**	-
Total other non-current assets	**-**	8,890	**-**	-

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
11. Investments accounted for using the equity method					
Shares in associates	(A)(i)	**26,632**	14,764	**-**	-
Shares in joint ventures	(B)(i)	**20,036**	30,926	**-**	-
Total investments accounted for using the equity method		**46,668**	45,690	**-**	-

(A) INTERESTS IN ASSOCIATES

Name of Company	Principal Activity	Place of Incorporation	Ownership interest 28 June 2009	Ownership interest 29 June 2008
Australian Associated Press Pty Ltd	News agency business and information service	Australia	47.0%	47.0%
Autobase Limited	E-commerce: online vehicle dealer automotive website	New Zealand	25.4%	25.4%
Digital Radio Broadcasting Melbourne Pty Ltd*	Digital audio broadcasting	Australia	18.0%	18.0%
Digital Radio Broadcasting Perth Pty Ltd*	Digital audio broadcasting	Australia	33.4%	33.4%
Digital Radio Broadcasting Brisbane Pty Ltd*	Digital audio broadcasting	Australia	25.0%	25.0%
Digital Radio Broadcasting Sydney Pty Ltd*	Digital audio broadcasting	Australia	11.3%	9.0%
Earth Hour Limited	Environmental promotion	Australia	33.3%	33.3%
Executive Publishing Network Pty Ltd**	Magazine publishing	Australia	30.0%	30.0%
Guardian Print Limited	Printing facility	New Zealand	25.0%	25.0%
Homebush Transmitters Pty Ltd	Rental of a transmission facility	Australia	50.0%	50.0%
Newspaper House Limited	Property ownership	New Zealand	45.5%	45.5%
New Zealand Press Association Ltd	News agency business and financial information service	New Zealand	49.2%	49.2%
NGA.net Pty Ltd	Provider of e-recruitment software to corporations	Australia	30.0%	30.0%
Online Marketing Group Pty Limited***	E-commerce: Online marketing	Australia	48.0%	-
Perth FM Facilities Pty Ltd	Rental of a transmission facility	Australia	33.3%	33.3%
Times Newspapers Limited	Newspaper publishing	New Zealand	49.9%	49.9%

* Investments in Digital Radio Broadcasting companies acquired on 28 April 2008.

** This company was deregistered on 22 July 2009.

*** Investment was acquired on 22 October 2008.

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000
(i) Carrying amount of investment in associates		
Balance at the beginning of the financial year	**14,764**	13,545
Investments in associates acquired during the year	**12,641**	100
Adjustment for foreign exchange revaluation	**19**	(868)
Share of associates' net (loss)/profit after income tax expense	**(405)**	2,427
Dividends received/receivable from associates	**(387)**	(340)
Investments in associates disposed during the year	**-**	(100)
Balance at end of the financial year	**26,632**	14,764
(ii) Share of associates' profits		
(Loss)/profit before income tax expense	**(450)**	2,607
Income tax benefit/(expense)	**45**	(180)
Net (loss)/profit after income tax expense	**(405)**	2,427
(iii) Share of associates' assets and liabilities		
Current assets	**13,969**	10,434
Non-current assets	**23,633**	21,436
Total assets	**37,602**	31,870
Current liabilities	**9,894**	5,739
Non-current liabilities	**4,176**	3,104
Total liabilities	**14,070**	8,843

(B) INTERESTS IN JOINT VENTURES

Name of Company	Principal Activity	Place of Incorporation	Ownership interest 28 June 2009	Ownership interest 29 June 2008
Advantate Pty Ltd	E-commerce: Online Marketing	Australia	50.0%	50.0%
Columbia Press Pty Ltd	Newspaper publishing and printing	Australia	50.0%	50.0%
Endemol Southern Star (NZ) Pty Ltd*	Television program production	New Zealand	-	49.0%
Endemol Southern Star Pty Ltd*	Television program production	Australia	-	49.0%
Fermax Distribution Company Pty Ltd**	Letterbox distribution of newspapers	Australia	50.0%	-
Gilgandra Newspapers Pty Ltd	Newspaper publishing and printing	Australia	50.0%	50.0%
Gippsland Regional Partnership	Newspaper publishing and printing	Australia	50.0%	50.0%
Hi-5 Operations Pty Ltd*	Television program production	Australia	-	50.0%
The Columbia Group Pty Ltd	Newspaper publishing and printing	Australia	50.0%	50.0%
Torch Publishing Company Pty Ltd	Newspaper publishing and printing	Australia	50.0%	50.0%

* Investment in joint venture was disposed of as part of the sale of the Southern Star Group on 6 April 2009.

** Investment was acquired on 2 July 2008.

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000
(i) Carrying amount of investment in joint ventures		
Balance at the beginning of the financial year	**30,926**	20,933
Share of joint ventures' net profit after income tax expense	**2,455**	6,308
Interests in joint venture acquired during the year	**1,150**	12,053
Dividends received/receivable from joint venture	**(3,023)**	(8,368)
Investment in joint venture disposed during the year	**(11,472)**	-
Balance at end of the financial year	**20,036**	30,926
(ii) Share of joint ventures' profits		
Revenues	**27,845**	31,999
Expenses	**(24,477)**	(23,991)
Profit before income tax expense	**3,368**	8,008
Income tax expense	**(913)**	(1,700)
Net profit after income tax expense	**2,455**	6,308
(iii) Share of joint ventures' assets and liabilities		
Current assets	**4,151**	17,636
Non-current assets	**18,720**	10,840
Total assets	**22,871**	28,476
Current liabilities	**2,491**	9,559
Non-current liabilities	**465**	1,154
Total liabilities	**2,956**	10,713
(C) SHARE OF NET PROFITS OF ASSOCIATES AND JOINT VENTURES		
Profit before income tax expense	**2,918**	10,615
Income tax expense	**(868)**	(1,880)
Net profit after income tax expense	**2,050**	8,735

12. Available for sale investments

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Listed equity securities - at fair value	**2,157**	3,547	**-**	-
Total available for sale investments	**2,157**	3,547	**-**	-

Available for sale investments consist of investments in ordinary shares and have no fixed maturity date. During the financial year, an impairment charge of $2.2 million (2008: $1.4 million) was recognised in the income statement in respect of several investments due to a significant decline in the share price of the investments during the financial year.

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
13. Held to maturity investments				
Bonds	**13,216**	14,686	**-**	-
Total held to maturity investments	**13,216**	14,686	**-**	-

The annuity bonds issued by Paperbonds Limited, which were acquired on 8 March 2006 and are to be held to maturity in September 2015, have a face value of $20.0 million. They are indexed to the consumer price index (CPI).

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
14. Intangible assets				
Mastheads and tradenames	**3,353,633**	3,715,455	**-**	-
Software	**61,726**	62,250	**7,948**	14,044
Customer relationships	**12,380**	14,298	**-**	-
Radio licences	**132,217**	146,245	**-**	-
Goodwill	**2,328,591**	2,554,392	**-**	-
Total intangible assets	**5,888,547**	6,492,640	**7,948**	14,044

RECONCILIATIONS

Reconciliations of the carrying amount of each class of intangible at the beginning and end of the current financial year are set out below:

	Note	Radio licences $'000	Customer relationships $'000	Mastheads & tradenames $'000	Software $'000	Goodwill $'000	Total $'000
(i) Consolidated							
At 1 July 2007							
Cost		17,000	17,303	3,795,649	163,421	2,255,513	6,248,886
Accumulated amortisation and impairment		-	(892)	(6,666)	(110,285)	-	(117,843)
Net carrying amount		17,000	16,411	3,788,983	53,136	2,255,513	6,131,043
Period ended 29 June 2008							
Balance at beginning of the financial year		17,000	16,411	3,788,983	53,136	2,255,513	6,131,043
Additions		-	-	27,035	28,864	7,937	63,836
Disposals		(6,369)	-	-	(106)	-	(6,475)
Acquisition of business combinations		135,614	(200)	39,885	1,438	372,472	549,209
Amortisation charge	3(B)	-	(1,913)	-	(19,385)	-	(21,298)
Exchange differences		-	-	(140,448)	(1,697)	(81,530)	(223,675)
At 29 June 2008, net of accumulated amortisation and impairment		146,245	14,298	3,715,455	62,250	2,554,392	6,492,640
At 29 June 2008							
Cost		146,245	17,103	3,722,121	188,748	2,554,392	6,628,609
Accumulated amortisation and impairment		-	(2,805)	(6,666)	(126,498)	-	(135,969)
Net carrying amount		146,245	14,298	3,715,455	62,250	2,554,392	6,492,640
Period ended 28 June 2009							
Balance at beginning of the financial year		146,245	14,298	3,715,455	62,250	2,554,392	6,492,640
Additions		27	-	662	26,345	-	27,034
Disposals		-	-	-	(4,298)	(93,692)	(97,990)
Acquisition of business combinations		10,406	-	1,723	4,651	(594)	16,186
Amortisation charge	3(B)	-	(1,918)	-	(27,307)	-	(29,225)
Impairment		(24,461)	-	(381,270)	-	(138,045)	(543,776)
Exchange differences		-	-	17,063	85	6,530	23,678
At 28 June 2009, net of accumulated amortisation and impairment		132,217	12,380	3,353,633	61,726	2,328,591	5,888,547
At 28 June 2009							
Cost		156,678	17,103	3,732,273	211,432	2,435,308	6,552,794
Accumulated amortisation and impairment		(24,461)	(4,723)	(378,640)	(149,706)	(106,717)	(664,247)
Net carrying amount		132,217	12,380	3,353,633	61,726	2,328,591	5,888,547
(ii) Company							
At 1 July 2007							
Cost		-	-	-	56,466	-	56,466
Accumulated amortisation and impairment		-	-	-	(35,049)	-	(35,049)
Net carrying amount		-	-	-	21,417	-	21,417

	Note	Radio licences $'000	Customer relationships $'000	Mastheads & tradenames $'000	Software $'000	Goodwill $'000	Total $'000
Period ended 29 June 2008							
Balance at beginning of the financial year		-	-	-	21,417	-	21,417
Additions		-	-	-	1,833	-	1,833
Disposals		-	-	-	(35)	-	(35)
Amortisation charge	3(B)	-	-	-	(2,290)	-	(2,290)
Intercompany transfers		-	-	-	(6,881)	-	(6,881)
At 29 June 2008, net of accumulated amortisation and impairment		-	-	-	14,044	-	- 14,044
At 29 June 2008							
Cost		-	-	-	53,392	-	53,392
Accumulated amortisation and impairment		-	-	-	(39,348)	-	(39,348)
Net carrying amount		-	-	-	14,044	-	14,044
Period ended 28 June 2009							
Balance at beginning of the financial year		-	-	-	14,044	-	14,044
Additions		-	-	-	576	-	576
Disposals		-	-	-	(4)	-	(4)
Amortisation charge	3(B)	-	-	-	(4,659)	-	(4,659)
Intercompany transfers		-	-	-	(2,009)	-	(2,009)
At 28 June 2009, net of accumulated amortisation and impairment		-	-	-	7,948	-	- 7,948
At 28 June 2009							
Cost		-	-	-	53,776	-	53,776
Accumulated amortisation and impairment		-	-	-	(45,828)	-	(45,828)
Net carrying amount		-	-	-	7,948	-	7,948

(iii) Impairment of cash generating units (CGU) including goodwill and indefinite life assets

Goodwill is allocated to CGU groups which represent the economic entity's main operational groups within geographic regions. The recoverable amount of each CGU which includes goodwill or indefinite life intangibles has been reviewed.

The recoverable amount of each CGU is determined based on value-in-use calculations using a five year cashflow projection and a terminal value. This method resulted in a higher recoverable amount than the fair value less costs to sell method. These calculations use cash flow projections based on financial budgets approved by the Directors for the 2010 financial year, after an adjustment for central overheads. Cash flows beyond the 2010 period are extrapolated using the estimated growth rates stated at (v) below. The growth rates do not exceed the long-term average historical growth rate for the businesses in which the CGU operates.

(iv) Allocation of goodwill and non-amortising intangibles to CGUs

For the financial year ended 28 June 2009, the consolidated entity allocated goodwill and non-amortising intangibles to the following CGU Groups:

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000
Allocation of goodwill to CGU Groups		
New South Wales Metropolitan and Community Publications	**14,485**	11,795
Victorian Metropolitan and Community Publications	**54,854**	54,623
Regional Publications	**231,139**	230,338
Business Publications	**2,128**	16,216
Agricultural Publications	**20,521**	39,863
New Zealand Publications	**-**	2,824
Australian Digital	**70,911**	66,969
New Zealand Digital	**576,093**	568,299
Fairfax Radio Networks and Southern Star Group *	**178,937**	363,230
Fairfax Printing	**577,910**	577,910
Australian Printing and Publishing	**601,613**	622,325
Total goodwill	**2,328,591**	2,554,392
Allocation of non-amortising intangibles to CGU Groups		
New South Wales Metropolitan and Community Publications	**434,082**	650,779
Victorian Metropolitan and Community Publications	**443,711**	436,906
Regional Publications	**1,082,339**	1,175,697
Business Publications	**162,523**	167,050
Agricultural Publications	**362,608**	371,480
New Zealand Publications	**833,753**	879,181
Australian Digital	**8,450**	8,450
New Zealand Digital	**26,167**	25,912
Fairfax Radio Networks and Southern Star Group *	**132,217**	146,245
Total indefinite life intangibles	**3,485,850**	3,861,700
Total goodwill and indefinite life intangibles	**5,814,441**	6,416,092

* Southern Star Group was disposed of on the 6 April 2009.

No goodwill or indefinite life intangibles are allocated to a CGU in the Company.

(v) Key assumptions used for value-in-use calculations

The key assumptions on which management has based its cashflow projections when determining the value-in-use calculations of the CGUs are as follows:

- no significant increase in budgeted gross margin or growth rate from the 28 June 2009 financial year for fiscal 2010. This is based on past performance, anticipated market conditions and expected efficiency improvements.
- growth rates of 3% for digital transaction CGUs, between 5% to 12.5% for publication CGUs and between 10% to 12.5% for combined online/publication CGUs for years 1 to 5.
- the weighted average growth rates used are consistent with forecasts included in industry reports.
- the budgeted exchange rate prevailing at balance date is used when converting foreign cashflows on foreign mastheads. The exchange rate of 1.30 has been applied to New Zealand mastheads.
- the post-tax discount rate applied to the cash flow projections was 9.8% (2008: 10.5%).
- a terminal value of 2.75% has been used (2008: 3%) for cashflows from year 6 onwards.

(vi) Impact of possible change in key assumptions

If the discount rate applied to the cash flow projections was increased to 10%, an aggregated impairment of $55.2 million would result across three CGUs. If a 10.5% discount rate was applied an aggregated impairment of $403.7 million would result across various CGUs. Management does not consider that there are any other reasonably possible changes in any of the key assumptions which would cause the carrying amount of any of the CGU Groups to exceed its recoverable amount.

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
15. Property, plant and equipment				
Freehold land and buildings				
At cost	**272,176**	266,515	**-**	-
Provision for depreciation	**(25,895)**	(22,228)	**-**	-
Total freehold land and buildings	**246,281**	244,287	**-**	-
Leasehold buildings				
At cost	**84,811**	80,897	**2,193**	256
Provision for depreciation	**(20,560)**	(18,325)	**(414)**	(116)
Total leasehold buildings	**64,251**	62,572	**1,779**	140
Plant and equipment				
At cost	**1,173,383**	1,163,748	**39,078**	37,740
Provision for depreciation	**(710,076)**	(679,664)	**(29,248)**	(26,268)
Total plant and equipment	**463,307**	484,084	**9,830**	11,472
Capital works in progress - at cost	**89,880**	84,238	**898**	5,227
Total property, plant and equipment	**863,719**	875,181	**12,507**	16,839

RECONCILIATIONS

Reconciliations of the carrying amount of each class of property, plant and equipment during the financial year are set out below:

	Note	Capital works in progress $'000	Freehold land & buildings $'000	Leasehold buildings $'000	Plant and equipment $'000	Total $'000
(i) Consolidated						
At 1 July 2007						
Cost		39,111	253,719	80,887	1,127,646	1,501,363
Accumulated depreciation and impairment		-	(17,491)	(15,793)	(608,035)	(641,319)
Net carrying amount		39,111	236,228	65,094	519,611	860,044
Period ended 29 June 2008						
Balance at beginning of financial year		39,111	236,228	65,094	519,611	860,044
Additions/capitalisations		46,624	1,683	816	37,089	86,212
Disposals		-	(6,699)	(89)	(11,035)	(17,823)
Acquisition of controlled entities		25	25,329	1,616	23,512	50,482
Depreciation charge	3(B)	-	(4,860)	(2,303)	(79,834)	(86,997)
Assets classified as held for sale	9	-	(1,096)	(1,126)	-	(2,222)
Transfers to other asset categories		-	-	(1,082)	1,082	-
Exchange differences		(1,522)	(6,298)	(354)	(6,341)	(14,515)
At 29 June 2008, net of accumulated depreciation and impairment		84,238	244,287	62,572	484,084	875,181
At 29 June 2008						
Cost		84,238	266,515	80,897	1,163,748	1,595,398
Accumulated depreciation and impairment		-	(22,228)	(18,325)	(679,664)	(720,217)
Net carrying amount		84,238	244,287	62,572	484,084	875,181
Period ended 28 June 2009						
Balance at beginning of financial year		84,238	244,287	62,572	484,084	875,181
Additions/capitalisations		6,194	10,440	6,248	81,572	104,454
Disposals		(402)	(478)	(1,732)	(2,449)	(5,061)
Acquisition of controlled entities		-	2,703	442	1,823	4,968
Depreciation charge	3(B)	-	(5,199)	(2,905)	(80,227)	(88,331)
Assets classified as held for sale	9	-	(5,527)	-	-	(5,527)
Transfers to other asset categories		-	(235)	(392)	627	-
Impairment		-	(511)	-	(22,566)	(23,077)
Exchange differences		(150)	801	18	443	1,112
At 28 June 2009, net of accumulated depreciation and impairment		89,880	246,281	64,251	463,307	863,719

Following a review of recoverable amount based on a value in use assessment, an impairment charge of $22.6m has been recorded against printing press assets at one of the Group's Australian production facilities during the period.

	Note	Capital works in progress $'000	Freehold land & buildings $'000	Leasehold buildings $'000	Plant and equipment $'000	Total $'000
At 28 June 2009						
Cost		89,880	272,176	84,811	1,173,383	1,620,250
Accumulated depreciation and impairment		-	(25,895)	(20,560)	(710,076)	(756,531)
Net carrying amount		89,880	246,281	64,251	463,307	863,719
(ii) Company						
At 1 July 2007						
Cost		5,332	-	582	44,959	50,873
Accumulated depreciation and impairment		-	-	(144)	(27,566)	(27,710)
Net carrying amount		5,332	-	438	17,393	23,163
Period ended 29 June 2008						
Balance at beginning of financial year		5,332	-	438	17,393	23,163
Additions/capitalisations		(105)	-	-	3,217	3,112
Disposals		-	-	-	(7)	(7)
Intercompany transfers		-	-	(257)	(1,948)	(2,205)
Depreciation charge	3(B)	-	-	(41)	(7,183)	(7,224)
At 29 June 2008, net of accumulated depreciation and impairment		5,227	-	140	11,472	16,839
At 29 June 2008						
Cost		5,227	-	256	37,740	43,223
Accumulated depreciation and impairment		-	-	(116)	(26,268)	(26,384)
Net carrying amount		5,227	-	140	11,472	16,839
Period ended 28 June 2009						
Balance at beginning of financial year		5,227	-	140	11,472	16,839
Additions/capitalisations		(4,329)	-	2,591	1,571	(167)
Disposals		-	-	(634)	(197)	(831)
Intercompany transfers		-	-	(137)	(493)	(630)
Depreciation charge	3(B)	-	-	(181)	(2,523)	(2,704)
At 28 June 2009, net of accumulated depreciation and impairment		898	-	1,779	9,830	12,507
At 28 June 2009						
Cost		898	-	2,193	39,078	42,169
Accumulated depreciation and impairment		-	-	(414)	(29,248)	(29,662)
Net carrying amount		898	-	1,779	9,830	12,507

16. Derivative financial instruments

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Current assets				
Forward contracts - cash flow hedges	**173**	3,519	**-**	-
Total current derivative assets	**173**	3,519	**-**	-
Non-current assets				
Interest rate swap - cash flow hedge	**-**	20,277	**-**	-
Cross currency swap - cash flow hedge	**95,303**	17,583	**-**	-
Cross currency swap - fair value hedge	**38,677**	107	**-**	-
Cross currency swap - net investment hedge	**18,762**	21,437	**-**	-
Forward contracts - cash flow hedges	**-**	13	**-**	-
Total non-current derivative assets	**152,742**	59,417	**-**	-
Current liabilities				
Cross currency swap - cash flow hedge	**26,007**	-	**-**	-
Share swap - fair value to profit and loss	**486**	719	**-**	-
Forward contracts - cash flow hedges	**264**	287	**-**	-
Total current derivative liabilities	**26,757**	1,006	**-**	-
Non-current liabilities				
Interest rate swap - cash flow hedge	**29,605**	-	**-**	-
Cross currency swap - fair value hedge	**17,628**	92,751	**-**	-
Cross currency swap - cash flow hedge	**497**	8,757	**-**	-
Cross currency swap - fair value to profit and loss	**-**	19,737	**-**	-
Forward contracts - cash flow hedges	**-**	6	**-**	-
Total non-current derivative liabilities	**47,730**	121,251	**-**	-

The Group uses derivative financial instruments to reduce the exposure to fluctuations in interest rates and foreign currency rates.

The Group formally designates hedging instruments to an underlying exposure and details the risk management objectives and strategies for undertaking hedge transactions. The Group assesses at inception and on a semi-annual basis thereafter, as to whether the derivative financial instruments used in the hedging transactions are effective at offsetting the risks they are designed to hedge. Due to the high effectiveness between the hedging instrument and underlying exposure being hedged, value changes in the derivatives are generally offset by changes in the fair value or cash flows of the underlying exposure. Any derivatives not formally designated as part of a hedging relationship are fair valued with any changes in fair value recognised in the income statement.

The derivatives entered into are over-the-counter instruments within liquid markets.

(A) HEDGING ACTIVITIES

(i) Cash flow hedges - interest rate and cross currency swaps

At 28 June 2009, the Group held interest rate swaps and cross currency swaps designated as hedges of future contracted interest payments on the EUR denominated Eurobonds. The combined swaps are being used to hedge a combination of future movements in interest rates and foreign currency exchange rates.

At 28 June 2009, the notional principal amounts and period of expiry of the swaps are as follows:

	Maturity date	Interest rate 2009	Interest rate 2008
Pay fixed, receive floating - AUD$550m	15 June 2012	7.60%	7.60%

The swaps designated to cash flow hedges cover approximately 98% of the Eurobond principal outstanding, with the remaining 2% of the Eurobond hedges designated as fair value hedges. The contracts require settlement on interest receivable annually and interest payable each 90 days. These dates coincide with the interest payable dates on the underlying Eurobond.

At 28 June 2009, the Group held cross currency swaps designated as hedges of future contracted interest payments on the USD denominated senior notes issued in July 2007. The cross currency swaps are being used to hedge a combination of future movements in interest rates and foreign currency exchange rates.

At 28 June 2009, the notional principal amounts and period of expiry of the swaps for each counterparty are as follows:

	Maturity date	Interest rate 2009	Interest rate 2008
Pay fixed, receive floating - AUD$59.5m	10 July 2017	7.52%	7.52%
Pay fixed, receive floating - AUD$59.5m	10 July 2017	7.46%	7.46%

The contracts require settlement on interest receivable semi annually and interest payable each 90 days. These dates coincide with the interest payable dates on the underlying Senior Notes.

At 28 June 2009, the Group held a cross currency swap designated as hedging the future contracted interest payments on the NZD denominated Redeemable Preference Shares (RPS) issued in May 2005. The cross currency swap is being used to hedge a combination of future movements in interest rates and foreign currency exchange rates.

At 28 June 2009, the notional principal amount and period of expiry of the swap are as follows:

	Maturity date	Interest rate 2009	Interest rate 2008
Pay fixed, receive floating - AUD$173.6m	15 June 2010	4.95%	4.95%

The contract requires settlement on interest receivable and interest payable each 90 days. These dates coincide with the interest payable dates on the underlying RPS.

At 28 June 2009, the Group held an interest rate swap designated as hedging the future contracted interest payments on AUD denominated bank borrowings. The interest rate swap is being used to hedge future movements in interest rates.

At 28 June 2009, the notional principal amount and period of expiry of the swap are as follows:

	Maturity date	Interest rate 2009	Interest rate 2008
Pay fixed, receive floating - AUD$125m	12 October 2015	6.52%	-

The contract requires settlement on interest receivable and interest payable each 90 days. These dates coincide with the interest payable dates on the underlying AUD denominated bank borrowings.

At 28 June 2009, the above hedges were assessed to be highly effective with a combined unrealised loss in fair value of $6.4 million (2008: $19.3 million gain) recognised in equity for the period. During the period an unrealised loss of $2.0 million (2008: $0.2 million unrealised gain) was recognised in the income statement attributable to the ineffective portion of the cash flow hedges.

During the year an unrealised loss of $1.9 million was transferred from equity to the income statement (2008: $1.3 million unrealised gain).

(ii) Cash flow hedges - foreign exchange contracts

At 28 June 2009, the Group held a number of forward exchange contracts to hedge future foreign capital purchase commitments across the Australian and New Zealand business. The contracts are timed to mature as payments are scheduled to be made to suppliers.

The cash flows are expected to occur over the next twelve months. At 28 June 2009, the details of the outstanding contracts are:

	2009 *	2008 *	Weighted average exchange rate	
	$'000	$'000	2009	2008
Buy CHF/Sell AUD - Maturity 0 - 12 months	-	2,688	-	0.9245
Buy USD/Sell AUD - Maturity 0 - 12 months	367	2,226	0.9038	0.9220
Buy EUR/Sell AUD - Maturity 0 - 12 months	2,634	2,657	0.5238	0.6208
Buy EUR/Sell NZD - Maturity 0 - 12 months	5,111	5,231	0.4647	0.4882
Buy EUR/Sell NZD - Maturity 13 - 24 months	-	2,375	-	0.4647
Buy GBP/Sell NZD - Maturity 0 - 12 months	-	258	-	0.3532
Buy AUD/Sell NZD - Maturity 0 -12 months	-	113,505	-	1.2285
Buy CHF/Sell NZD - Maturity 0 - 12 months	939	2,723	0.7322	0.7562
Buy CHF/Sell NZD - Maturity 13 - 24 months	-	509	-	0.7216
Buy AUD/Sell GBP - Maturity 0 -12 months	-	428	-	0.4266

* The amounts disclosed represent currency bought measured at the contracted rate.

The foreign currency contracts are considered to be fully effective hedges as they are matched exactly against the highly probable foreign capital purchases with any gain or loss on the contracts taken directly to equity. When the contract is delivered, the Group will adjust the initial measurement of any component recognised on the balance sheet by the related amount deferred in equity.

At 28 June 2009, the hedges were assessed to be highly effective with a loss of $2.7 million (2008: $2.8 million gain) recognised in equity for the period. The amount removed from equity and included in the initial measurement of capital purchases during the period to 28 June 2009 was a $1.0 million gain (2008: $1.2 million loss), resulting in a decrease to the capital asset base. The amount removed from equity and included in expenses from operations for the period was $2.1 million of losses (2008: nil)

(iii) Fair value hedges

At 28 June 2009, the Group held cross currency swap agreements designated to changes in the underlying value of USD denominated senior notes (refer to Note 21). The terms of certain cross currency swap agreements exchange USD obligations into AUD obligations and other agreements exchange USD obligations into NZD obligations. The latter are also designated to hedge value changes in the Group's New Zealand controlled entities (excluding Trade Me Limited), as discussed in Note (iv) below.

At 28 June 2009, the Group also held cross currency swap agreements partly designated to changes in the underlying value of the EUR denominated Eurobond (refer to Note 21). The terms of the cross currency swap exchange EUR obligations into AUD obligations. This swap has been 98% designated to a cash flow hedge, as discussed in (i) above.

At 28 June 2009, the cross currency swap agreements had a combined value of $10.9 million (2008: $92.6 million).

The cross currency swaps are designated based on matched terms to the debt and also have the same maturity profile as the USD denominated senior notes and the EUR denominated Eurobonds.

The terms of these cross currency swaps are as follows:

	Maturity date
Pay floating AUD receive fixed USD - USD $50m	15 January 2011
Pay floating AUD receive fixed USD - USD $125m	10 July 2014
Pay floating AUD receive floating USD - USD $25m	10 July 2014
Pay floating NZD receive fixed USD - USD $40m	15 January 2019
Pay floating NZD receive fixed USD - USD $90m	15 January 2016
Pay floating NZD receive fixed USD - USD $50m	15 January 2014
Pay floating AUD receive fixed EUR - EUR $4m	15 June 2012

For the Group, the remeasurement of the hedged items resulted in a loss before tax of $101.5 million (2008: $15.7 million gain) and the changes in the fair value of the hedging instruments resulted in a gain before tax of $103.6 million (2008: $15.5 million loss) resulting in a net gain before tax of $2.1 million (2008: $0.3 million gain) recorded in finance costs.

(iv) Net investment hedges

The NZD/USD cross currency swap agreements have also been designated to hedge the net investment in New Zealand controlled entities acquired as part of the acquisition of Independent News Limited in June 2003.

At 28 June 2009, the hedges were assessed to be highly effective with an unrealised loss of $0.6 million (2008: $24.3 million gain) recognised in equity. During the current financial period there was an unrealised loss of $1.8 million (2008: $0.2 million) recognised in the income statement attributable to the ineffective portion of the net investment hedges.

17. Pension assets and liabilities

SUPERANNUATION PLAN

The Group contributes to defined contribution and defined benefit plans, which provide benefits to employees and their dependants on retirement, disability or death. All defined benefit plans are closed to new members.

The superannuation arrangements in Australia are managed in a sub-plan of the Mercer Super Trust, called FairfaxMedia Super. The Trustee of the Trust is Mercer Investment Nominees Limited. The superannuation arrangements in New Zealand are managed by AoN Consulting New Zealand Limited in three funds - Fairfax NZ Retirement Fund, Fairfax New Zealand Superannuation Fund and Fairfax NZ Senior Executive Superannuation Scheme. All New Zealand funds have defined contribution plans and the Fairfax NZ Retirement Fund has a defined benefit section.

The defined contribution plans receive fixed contributions from employees and from Group companies and the Group's legally enforceable obligation is limited to these contributions. The defined benefit plans receive employee contributions plus Group company contributions at rates recommended by the plans' actuaries.

The NZ Retirement Fund includes investments in respect of members of the NZ defined benefit plan and investments in respect of the NZ defined contribution plan.

The following sets out details in respect of the defined benefit plans only and in the case of the Fairfax NZ Retirement Fund, excludes $44.0 million (2008: $56.6 million) of defined contribution assets and entitlements.

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
(A) BALANCE SHEET				
The amounts recognised in the balance sheet are determined as follows:				
Present value of the defined benefit obligation	**(20,560)**	(24,254)	**-**	-
Fair value of defined benefit plan assets	**17,875**	29,796	**-**	-
Net pension (liabilities) / assets	**(2,685)**	5,542	**-**	-

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
(B) RECONCILIATION OF THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION				
Balance at the beginning of the financial year	**24,254**	20,048	**-**	-
Current service cost	**928**	3,255	**-**	-
Interest cost	**1,408**	3,763	**-**	-
Contributions by employees	**68**	3,717	**-**	-
Actuarial (gains) and losses	**(173)**	(2,955)	**-**	-
Benefits paid	**(66)**	(9,097)	**-**	-
Taxes, premiums and expenses paid	**(147)**	(708)	**-**	-
Exchange differences on foreign plans	**4**	(64)	**-**	-
Curtailments	**209**	-	**-**	-
Settlements	**(5,925)**	-	**-**	-
Transfers in	**-**	6,295	**-**	-
Balance at the end of the financial year defined benefit obligations	**20,560**	24,254	**-**	-
(C) RECONCILIATION OF THE FAIR VALUE OF PLAN ASSETS				
Balance at the beginning of the financial year	**29,796**	33,429	**-**	-
Expected return on plan assets	**2,012**	5,602	**-**	-
Actuarial gains and (losses)	**(7,425)**	(8,958)	**-**	-
Contributions by Group companies and employees	**(381)**	3,828	**-**	-
Benefits paid	**(66)**	(9,097)	**-**	-
Taxes, premiums & expenses paid	**(147)**	(708)	**-**	-
Exchange differences on foreign plans	**11**	(595)	**-**	-
Settlements	**(5,925)**	-	**-**	-
Transfers in	**-**	6,295	**-**	-
Balance at the end of the financial year defined benefit assets	**17,875**	29,796	**-**	-
(D) AMOUNTS RECOGNISED IN INCOME STATEMENT				
The amounts recognised in the income statement are as follows:				
Current service cost	**928**	3,255	**-**	-
Interest cost	**1,408**	3,763	**-**	-
Curtailments	**209**	-	**-**	-
Expected return on plan assets	**(2,012)**	(5,602)	**-**	-
Total included in employee benefits expense	**533**	1,416	**-**	-
Actual return on plan assets	**(4,862)**	(3,274)	**-**	-

(E) CATEGORIES OF PLAN ASSETS

The major categories of plan assets as a percentage of the fair value of the total defined benefit plan assets are as follows:

	Consolidated 28 June 2009 %	Consolidated 29 June 2008 %	Company 28 June 2009 %	Company 29 June 2008 %
Cash	**7**	6	**-**	-
Australian equities	**22**	20	**-**	-
Overseas equities	**33**	34	**-**	-
Fixed interest securities	**24**	24	**-**	-
Property	**7**	7	**-**	-
Other	**7**	9	**-**	-

(F) PRINCIPAL ACTUARIAL ASSUMPTIONS

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	Consolidated 2009 %	Consolidated 2008 %	Company 2009 %	Company 2008 %
Discount rate	**4.7**	5.2	**-**	-
Expected return on plan assets	**6.3**	6.5	**-**	-
Future salary increases	**4.0**	4.0	**-**	-

The expected rate of return on assets has been determined by weighting the expected long term return for each class by the target allocation of assets to each asset class. This resulted in a 6.3% p.a. rate of return, net of tax and expenses (2008: 6.5% p.a).

(G) EMPLOYER CONTRIBUTIONS

Employer contributions to the defined benefit section of the plans are based on recommendations by the plans' actuaries. Actuarial assessments are made at three yearly intervals and the last actuarial assessment of Fairfax Super was carried out as at 1 July 2008 by Mercer Human Resource Consulting Pty Ltd. The last actuarial assessments of Fairfax NZ Retirement Fund and Fairfax NZ Senior Executive Superannuation Scheme were carried out as at 1 April 2008 by AoN Consulting New Zealand Limited. Fairfax New Zealand Superannuation Fund is a defined contribution fund and does not require an actuarial assessment.

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuary has adopted a method of funding benefits known as the aggregate funding method. This funding method seeks to have benefits funded by means of a total contribution which is expected to be a constant percentage of members' salaries over their working lifetimes.

Total employer contributions expected to be paid by Group companies for the 2010 financial year are nil (parent entity: $nil).

(H) NET FINANCIAL POSITION OF PLAN

In accordance with AAS 25 Financial Reporting by Superannuation Plans the plans' net financial position is determined as the difference between the present value of the accrued benefits and the net market value of plan assets. This has been determined as a surplus of $3.4 million at the most recent financial position of the plans, being 1 July 2008 for Australia and 1 April 2008 for New Zealand. As such, the assets of each of the plans are sufficient to satisfy all benefits that would have vested under the plans in the event of termination of the plans and voluntary or compulsory termination of employment of each employee.

The directors, based on the advice of the trustees of the plan, are not aware of any changes in circumstances since the date of the most recent financial statements of the plans (1 July 2008 for Australia and 1 April 2008 for New Zealand), which would have a material impact on the overall financial position of the defined benefit plan.

(I) HISTORIC SUMMARY

	2005 $'000	2006 $'000	2007 $'000	2008 $'000	2009 $'000
Defined benefit plan obligation	(21,836)	(19,424)	(20,048)	(24,254)	**(20,560)**
Plan assets	28,652	30,100	33,429	29,796	**17,875**
Surplus/(deficit)	6,816	10,676	13,381	5,542	**(2,685)**
Experience adjustments arising on plan liabilities	(1,457)	(2,152)	(2,032)	7,678	**7,773**
Experience adjustments arising on plan assets	644	(892)	(1,038)	(3,132)	**(8,278)**

18. Deferred tax assets and liabilities

(A) RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	28 June 2009 $'000	29 June 2008 $'000	28 June 2009 $'000	29 June 2008 $'000	28 June 2009 $'000	29 June 2008 $'000
(i) Consolidated						
Property, plant and equipment	**10,293**	19,018	**24,084**	38,220	**(13,791)**	(19,202)
Inventories	**-**	-	**2,788**	4,114	**(2,788)**	(4,114)
Investments	**-**	(345)	**10,498**	6,102	**(10,498)**	(6,447)
Intangible assets	**6,685**	5,453	**44,301**	44,300	**(37,616)**	(38,847)
Other assets	**23,831**	36,774	**24,187**	39,042	**(356)**	(2,268)
Provisions	**52,826**	50,608	**-**	-	**52,826**	50,608
Payables	**10,288**	7,986	**-**	-	**10,288**	7,986
Other liabilities	**3,255**	2,739	**53**	105	**3,202**	2,634
Tax losses	**1,510**	18	**-**	-	**1,510**	18
Film production and distribution	**-**	1,532	**-**	9,584	**-**	(8,052)
Other	**6,219**	4,778	**10,684**	7,464	**(4,465)**	(2,686)
Net deferred tax assets/liabilities	**114,907**	128,561	**116,595**	148,931	**(1,688)**	(20,370)
(ii) Company						
Property, plant & equipment	**-**	-	**2,771**	3,630	**(2,771)**	(3,630)
Intangible assets	**6,215**	5,178	**-**	-	**6,215**	5,178
Other assets	**-**	-	**-**	2	**-**	(2)
Employee provisions	**2,281**	2,426	**-**	-	**2,281**	2,426
Accruals	**2,061**	1,405	**-**	-	**2,061**	1,405
Other	**149**	191	**7,096**	4,011	**(6,947)**	(3,820)
Net deferred tax assets/liabilities	**10,706**	9,200	**9,867**	7,643	**839**	1,557

There are no unrecognised deferred tax assets other than unrealised and carried forward realised capital losses for which no deferred tax asset has been recognised.

(B) MOVEMENT IN TEMPORARY DIFFERENCES DURING THE FINANCIAL YEAR

	Balance 29 June 2008	Recognised on acquisition	Recognised in income	Recognised in equity	Balances disposed	Balance 28 June 2009
(i) Consolidated						
Property, plant and equipment	(19,202)	(1,474)	7,101	-	(216)	**(13,791)**
Inventories	(4,114)	-	1,326	-	-	**(2,788)**
Investments	(6,447)	-	(4,102)	-	51	**(10,498)**
Intangible assets	(38,847)	(2,117)	3,348	-	-	**(37,616)**
Other assets	(2,268)	17	(527)	2,379	43	**(356)**
Provisions	50,608	1,158	1,590	-	(530)	**52,826**
Payables	7,986	-	3,022	-	(720)	**10,288**
Other liabilities	2,634	-	568	-	-	**3,202**
Tax losses	18	-	1,492	-	-	**1,510**
Film production and distribution	(8,052)	409	234	-	7,409	**-**
Other	(2,686)	41	2,739	(4,559)	-	**(4,465)**
	(20,370)	(1,966)	16,791	(2,180)	6,037	**(1,688)**
(ii) Company						
Property, plant and equipment	(3,630)	-	859	-	-	**(2,771)**
Intangible assets	5,178	-	1,037	-	-	**6,215**
Other financial assets	(2)	-	2	-	-	**-**
Provisions	2,426	-	(145)	-	-	**2,281**
Payables	1,405	-	656	-	-	**2,061**
Other	(3,820)	-	3,575	(6,702)	-	**(6,947)**
	1,557	-	5,984	(6,702)	-	**839**

	Balance 1 July 2007	Recognised on acquisition	Recognised in income	Recognised in equity	Balances disposed	Balance 29 June 2008
(i) Consolidated						
Property, plant and equipment	(8,661)	(13,874)	3,333	-	-	(19,202)
Inventories	(3,875)	-	(239)	-	-	(4,114)
Investments	(3,310)	(2,613)	(524)	-	-	(6,447)
Intangible assets	(30,987)	(9,751)	1,891	-	-	(38,847)
Other assets	19,985	230	(15,797)	(6,686)	-	(2,268)
Provisions	45,371	3,341	1,896	-	-	50,608
Payables	7,432	526	28	-	-	7,986
Other liabilities	1,303	117	1,214	-	-	2,634
Tax losses	4,656	-	(4,638)	-	-	18
Film production and distribution	-	(1,168)	(6,884)	-	-	(8,052)
Other	(4,196)	6	1,504	-	-	(2,686)
	27,718	(23,186)	(18,216)	(6,686)	-	(20,370)
(ii) Company						
Property, plant and equipment	(3,939)	-	309	-	-	(3,630)
Intangible assets	4,459	-	719	-	-	5,178
Other financial assets	-	-	(2)	-	-	(2)
Provisions	1,976	-	450	-	-	2,426
Payables	2,232	-	(827)	-	-	1,405
Other	639	-	(4,459)	-	-	(3,820)
	5,367	-	(3,810)	-	-	1,557

19. Other financial assets

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Shares in controlled entities - at cost	**-**	-	**3,138,215**	3,143,723
Provision for diminution	**-**	-	**(214,000)**	-
	-	-	**2,924,215**	3,143,723
Shares in unlisted entities - at cost	**1,175**	122	**-**	-
Total other financial assets	**1,175**	122	**2,924,215**	3,143,723

20. Payables

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Trade and other payables *	**211,288**	226,917	**14,946**	15,900
Interest payable	**19,376**	26,403	**-**	-
Income in advance	**69,815**	76,725	**-**	-
Total current payables	**300,479**	330,045	**14,946**	15,900

* Trade payables are non-interest bearing and are generally on 30 day terms

21. Interest bearing liabilities

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Current interest bearing liabilities - unsecured					
Finance lease liability	(D)	**3,334**	3,194	**-**	-
Other loans	(D)	**10,072**	8,665	**-**	-
Redeemable Preference Shares	(E)	**147,978**	-	**-**	-
Bank borrowings	(B)	**22,173**	-	**-**	-
Current interest bearing liabilities - secured					
Bank borrowings	(B)	**-**	3,957	**-**	-
Total current interest bearing liabilities		**183,557**	15,816	**-**	-
Non-current interest bearing liabilities - unsecured					
Bank borrowings	(B)	**237,706**	973,109	**-**	-
Redeemable Preference Shares	(E)	**-**	146,401	**-**	-
Other loans					
Senior notes	(C)	**638,371**	519,676	**-**	-
Medium term notes	(F)	**167,481**	199,682	**-**	-
Eurobonds	(G)	**607,537**	570,249	**-**	-
Other	(D)	**51,609**	61,680	**-**	-
Finance lease liability	(D)	**22,004**	25,336	**-**	-
Total non-current interest bearing liabilities		**1,724,708**	2,496,133	**-**	-

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Net debt for financial covenant purposes					
Cash and cash equivalents		**(69,124)**	(93,864)	**-**	-
Current interest bearing liabilities		**183,557**	15,816	**-**	-
Non-current interest bearing liabilities		**1,724,708**	2,496,133	**-**	-
Derivative financial instruments (assets) / liabilities *		**(56,793)**	98,166	**-**	-
Net debt for financial covenant purposes		**1,782,348**	2,516,251	**-**	-

* Debt hedging instruments as measured against the undiscounted contractual AUD cross currency swap obligations and therefore may not equate to the values disclosed in the balance sheet (inclusive of transaction costs)

(A) FINANCING ARRANGEMENTS

The Group net debt for financial covenant purposes, taking into account all debt related derivative financial instruments, was $1,782 million as at 28 June 2009 (2008: $2,516 million).

The Group has sufficient unused committed facilities at the balance sheet date to finance maturing current interest bearing liabilities.

The Group has a number of financing facilities which are guaranteed by Fairfax Media Limited and are covered by deeds of negative pledge.

(B) BANK BORROWINGS

Current

A NZ$50 million revolving committed cash advance facility is available to the Group until June 2010. At 28 June 2009, NZ$27.7 million was drawn down (2008: nil).

Non-current

A $1,200 million syndicated bank facility is available to the Group until periods ranging from April 2011 to April 2013. At 28 June 2009, $125 million was drawn down (2008: $850 million). The interest rate for the drawings under this facility is the applicable bank bill rate plus a credit margin.

A $200 million revolving committed cash advance facility is available to the group until September 2010. At 28 June 2009, $115 million was drawn down (2008: $125 million). The interest rate for this facility is the applicable bank bill rate plus a credit margin.

(C) SENIOR NOTES

The Group issued Senior Notes in the US private placement market with a principal value of US$230 million (A$307.9 million) in January 2004 with a fixed coupon of between 4.74% p.a. and 5.85% p.a. payable semi-annually in arrears. The interest and principal on the Senior Notes are payable in US dollars and were swapped into floating rate New Zealand dollars and floating rate Australian dollars via cross-currency swaps. This issue of Senior Notes comprises maturities ranging from January 2011 to January 2019. The weighted average maturity of the issue is approximately five and a half years. The applicable cross-currency swap credit margin includes the cost of hedging all currency risk and future interest and principal repayments on a quarterly basis.

The Group issued further Senior Notes in the US private placement market with a principle value of US$250 million (A$330.4 million) in July 2007 comprising maturities ranging from July 2014 to July 2017. The weighted average maturity of this issue is approximately 6.2 years. The issued notes include fixed rate coupon notes, paying a weighted average coupon of 6.4% p.a. semi annually in arrears, and floating rate coupon notes. The interest and principle on the Senior Notes are payable in US dollars and were swapped into fixed and floating rate Australian dollars via cross-currency swaps. An additional 1.00% p.a. step up margin is payable on the coupons, effective from 10 July 2009, following a downgrade of the Group's credit rating during the period.

(D) OTHER LOANS AND FINANCE LEASE LIABILITY

The Chullora printing facility in Sydney is partially financed by a finance lease facility and loans with a maturity date of September 2015. There is a CPI indexed annuity loan with principal and interest outstanding of $41.3 million (2008: $45.5 million) and a finance lease of $25.3 million (2008: $28.5 million), which was entered into in February 1996. There is also principal and interest outstanding of $20.4 million (2008: $24.9 million) in the form of a fixed rate loan with an established drawdown and repayment schedule.

(E) REDEEMABLE PREFERENCE SHARES (RPS)

The Group issued Redeemable Preference Shares in New Zealand in May 2005 with a principal value of NZ$186.5 million (A$147.9 million) currently paying a fixed one year coupon of 3.97% p.a. payable quarterly in arrears. The Redeemable Preference Shares mature in June 2010. The interest and principal on the Redeemable Preference Shares are payable in New Zealand dollars and were swapped into fixed rate Australian dollars via a cross-currency swap. The applicable cross-currency swap credit margin includes the cost of hedging all currency risk and future interest and principal repayments on a quarterly basis.

(F) MEDIUM TERM NOTES (MTNs)

On 27 June 2006, the Group issued $200 million of MTNs with a maturity date of 27 June 2011. The MTNs were issued at a fixed coupon of 6.865% p.a. In May 2009, the Group repurchased and cancelled $32.3 million of the outstanding MTNs.

(G) EUROBONDS

On 15 June 2007 the Group issued €350 million guaranteed notes with a maturity date of 15 June 2012. The notes pay a fixed coupon of 5.25% p.a. payable annually in arrears. The interest and principal on the notes are payable in Euro and were swapped into fixed rate Australian dollars via cross-currency swaps. An additional 1.00% p.a. step up margin is payable on the fixed coupon, effective from 15 June 2009, following a downgrade of the Group's credit rating during the period.

22. Provisions

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Current				
Employee benefits	**101,697**	113,793	**5,291**	6,990
Defamation	**4,927**	2,228	**-**	-
Property	**6,850**	1,603	**-**	-
Consideration payable under earn out arrangement	**4,357**	37,959	**-**	-
Redundancy	**10,590**	581	**1,911**	395
Other	**271**	3,673	**-**	-
Total current provisions	**128,692**	159,837	**7,202**	7,385
Non-current				
Employee benefits	**13,087**	13,108	**401**	703
Property	**35,435**	31,533	**-**	-
Other	**481**	757	**-**	-
Total non-current provisions	**49,003**	45,398	**401**	703

RECONCILIATION

Reconciliations of the carrying amount of each class of provision, other than employee benefits, during the financial year are set out below:

	Consolidated Defamation 2009 $'000	Consolidated Property 2009 $'000	Consolidated Earn out 2009 $'000	Consolidated Redundancy 2009 $'000	Consolidated Other 2009 $'000	Company Redundancy 2009 $'000
Current						
Balance at beginning of the financial year	2,228	1,603	37,959	581	3,673	395
Additional provision	9,937	7,189	4,919	81,513	-	2,270
Utilised	(7,241)	(1,942)	(38,006)	(71,504)	(3,327)	(754)
Disposal of controlled entities	-	-	-	-	(75)	-
Exchange differences	3	-	(515)	-	-	-
Balance at end of the financial year	**4,927**	**6,850**	**4,357**	**10,590**	**271**	**1,911**
Non-current						
Balance at beginning of the financial year	-	31,533	-	-	757	-
Additional provision	-	4,874	-	-	-	-
Utilised	-	(976)	-	-	(276)	-
Exchange differences	-	4	-	-	-	-
Balance at end of the financial year	**-**	**35,435**	**-**	**-**	**481**	**-**

NATURE AND TIMING OF PROVISIONS

(i) Employee benefits

Provisions for employee benefits include liabilities for annual leave and long service leave and are measured at the amounts expected to be paid when the liabilities are settled, refer to Note 1(T)(i).

(ii) Defamation

From time to time, entities in the Group are sued for defamation and similar matters in the ordinary course of business. The defamation provision maintained is with respect to various insignificant matters across the Group. At the date of this report there were no legal actions against the consolidated entity that have not been adequately provided for or that are expected to have a material impact on the Group.

(iii) Property

The provision for property costs is in respect of make good provisions, deferred lease incentives and onerous lease provisions. The make good provisions and deferred lease incentives are amortised over the shorter of the term of the lease or the useful life of the assets, being up to 20 years. Onerous lease provisions have been made on various group properties as a result of expected relocations in the coming year.

(iv) Earn out

The provision for earn out relates to amounts in relation to recent acquisitions which are payable contingent on the achievement of specified financial performance criteria by the entity acquired.

(v) Redundancy

The provision is in respect of amounts payable in connection with redundancy and includes termination benefits, on-costs and outplacement services.

(vi) Other

Other provisions includes various other costs relating to the business.

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
23. Contributed equity					
Ordinary Shares					
2,351,955,725 ordinary shares fully paid (2008: 1,513,544,248)	(A)	**4,667,990**	4,039,131	**4,667,990**	4,039,131
Unvested Employee Incentive Shares					
8,411,794 unvested employee incentive shares (2008: 3,384,916)	(B)	**(33,031)**	(13,885)	**(33,031)**	(13,885)
Stapled Preference Shares (SPS)					
3,000,000 stapled preference shares (2008: 3,000,000)	(C)	**293,163**	293,163	**299,278**	299,278
Debentures					
281 debentures fully paid (2008: 281)	(D)	*****	*	*****	*
Total contributed equity		**4,928,122**	4,318,409	**4,934,237**	4,324,524

* Amount is less than $1000

RECONCILIATIONS

Reconciliations of each class of contributed equity at the beginning and end of the current financial year are set out below:

	28 June 2009 No. of shares	29 June 2008 No. of shares	28 June 2009 $'000	29 June 2008 $'000
Consolidated				
(A) ORDINARY SHARES				
Balance at beginning of the financial year	**1,513,544,248**	1,479,640,401	**4,039,131**	3,891,162
Dividend reinvestment plan issue - 2 October 2008	**5,558,472**	-	**15,731**	-
Dividend reinvestment plan issue - 27 September 2007	**-**	12,820,970	**-**	56,156
Share issue - 6 April 2009 Retail offer	**164,479,456**	-	**123,360**	-
Share issue - 13 March 2009 Institutional offer	**668,373,549**	-	**501,280**	-
Share issue - 7 August 2007 Adjustment to Rural Press acquisition share issue	**-**	900	**-**	5
Share issue - 27 September 2007 Merrill Lynch final dividend underwriting	**-**	21,081,977	**-**	91,808
Share issue costs	**-**	-	**(11,512)**	-
Balance at end of the financial year	**2,351,955,725**	1,513,544,248	**4,667,990**	4,039,131

	28 June 2009 No. of shares	29 June 2008 No. of shares	28 June 2009 $'000	29 June 2008 $'000
(B) UNVESTED EMPLOYEE INCENTIVE SHARES				
Balance at beginning of the financial year	**3,384,916**	-	**(13,885)**	-
Share acquisition - 27 March 2009	**1,126,794**	-	**(845)**	-
Share acquisition - 26 August 2008	**3,900,084**	-	**(11,599)**	-
Share acquisition - 22 February 2008	**-**	1,700,000	**-**	(6,969)
Share acquisition - 25 February 2008	**-**	1,684,916	**-**	(6,916)
Tax expense recognised directly in equity	**-**	-	**(6,702)**	-
Balance at end of the financial year	**8,411,794**	3,384,916	**(33,031)**	(13,885)
(C) STAPLED PREFERENCE SHARES (SPS)				
Balance at beginning of the financial year	**3,000,000**	3,000,000	**293,163**	293,163
Balance at end of the financial year	**3,000,000**	3,000,000	**293,163**	293,163
(D) DEBENTURES				
Balance at beginning of the financial year	**281**	281	*	*
Balance at end of the financial year	**281**	281	*	*
Total contributed equity			**4,928,122**	4,318,409

* Amount is less than $1000

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

(A) Ordinary Shares

Ordinary shares entitle the holder to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

Rights Issue

On 3 April 2009, the Company completed a 3 for 5 accelerated non-renounceable pro-rata entitlement offer, raising a total of $624.6 million. The Company used the proceeds of the entitlement offer to pay down a substantial part of a syndicated bank facility maturing in 2011 and 2012.

Dividend Reinvestment Plan

Fairfax Media Limited introduced a Dividend Reinvestment Plan (DRP) to eligible shareholders during the financial year ended 30 June 2004.

Under the terms of the DRP eligible shareholders are able to elect to reinvest their dividends in additional Fairfax shares, free of any brokerage or other transaction costs. Shares are issued and/or transferred to DRP participants at a predetermined price, less any discount that the directors may elect to apply from time to time. During the financial year ended 28 June 2009, 5,558,472 ordinary shares (2008: 12,820,970 ordinary shares) were issued under the terms of the DRP.

(B) Unvested Employee Incentive Shares

Shares in Fairfax Media Limited are held by the Executive Employee Share Plan Trust for the purpose of issuing shares under the Long Term Incentive Plan. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

(C) Stapled Preference Shares (SPS)

The SPS (FXJPB), which was issued on 23 March 2006 for a face value of $100 per share, is a stapled security comprising a fully paid SPS Preference Share issued by the Company, Fairfax Media Limited and a fully paid unsecured note issued by Fairfax Group Finance New Zealand Limited, a wholly owned entity of the Company. Holders of the SPS are not entitled to vote.

Distribution payments are at the discretion of directors however distributions, in the form of interest on the notes, are expected to be paid semi-annually in arrears each April and October, and rank in preference to ordinary shareholders and equally with preference shareholders. The distribution rate is calculated as the sum of the six month bank bill swap rate and the margin, which is determined by the issuers or adjusted to the step-up margin (2.25%). Distributions are non-cumulative. Total distribution payments in the year to SPS was $25,005,709 (2008: $25,618,128).

The SPS are perpetual however Fairfax has the right to repurchase the SPS for cash or convert the SPS into a variable number of ordinary shares from April 2011 or earlier in certain circumstances (an assignment event). In the event an assignment event occurs, the SPS are ‘unstapled’ and the unsecured notes assigned to a wholly owned Fairfax subsidiary. The SPS holders would continue to hold a listed SPS preference share issued by the Company and discretionary dividends on the preference shares, which may be franked.

The two securities may not be traded separately prior to an assignment event and an assignment event does not itself give the Company the right to repurchase or convert the SPS. Holders are never entitled to both interest on the unsecured notes and dividends on the SPS preference shares at the same time.

(D) Debentures

Debenture holders terms and conditions are disclosed in Note 1(U).

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
24. Reserves					
Asset revaluation reserve, net of tax	(A)	**32**	(801)	**-**	-
Foreign currency translation reserve, net of tax	(B)	**(173,662)**	(201,881)	**-**	-
Cashflow hedge reserve, net of tax	(C)	**7,286**	15,307	**-**	-
Net investment hedge reserve, net of tax	(D)	**(1,024)**	(438)	**-**	-
Share-based payment reserve, net of tax	(E)	**3,987**	1,750	**3,987**	1,750
Total reserves		**(163,381)**	(186,063)	**3,987**	1,750
(A) Asset revaluation reserve					
Balance at beginning of the financial year		**(801)**	-	**-**	-
Revaluation of available for sale investments		**(1,358)**	(2,183)	**-**	-
Impairment losses transferred to net profit		**2,191**	1,382	**-**	-
Tax effect of net loss on available for sale investment		**-**	-	**-**	-
Balance at end of the financial year		**32**	(801)	**-**	-
(B) Foreign currency translation reserve					
Balance at beginning of the financial year		**(201,881)**	48,984	**-**	-
Transfer to loss on disposal		**1,192**	-	**-**	-
Net exchange differences on currency translation, net of tax		**27,027**	(250,865)	**-**	-
Balance at end of the financial year		**(173,662)**	(201,881)	**-**	-
(C) Cashflow hedge reserve					
Balance at beginning of the financial year		**15,307**	(6,739)	**-**	-
Effective portion of changes in value of cashflow hedges		**(11,495)**	31,079	**-**	-
Tax effect of net changes on cashflow hedges		**3,474**	(9,033)	**-**	-
Balance at end of the financial year		**7,286**	15,307	**-**	-
(D) Net investment hedge reserve					
Balance at beginning of the financial year		**(438)**	(24,719)	**-**	-
Effective portion of changes in value of net investment hedges		**(836)**	34,654	**-**	-
Tax effect on net investment hedges		**250**	(10,373)	**-**	-
Balance at end of the financial year		**(1,024)**	(438)	**-**	-
(E) Share-based payment reserve					
Balance at beginning of the financial year		**1,750**	(1,943)	**1,750**	(1,943)
Share-based payment expense		**2,237**	4,429	**2,237**	4,429
Transfer to Share Trust to fund acquisition of shares		**-**	(736)	**-**	(736)
Balance at end of the financial year		**3,987**	1,750	**3,987**	1,750

NATURE AND PURPOSE OF RESERVES

(A) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. From 1 July 2004, changes in the fair value of investments classified as available for sale investments are recognised in the asset revaluation reserve, as described in Note 1(M).

(B) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities, as described in Note 1(F).

(C) Cashflow hedge reserve

The hedging reserve is used to record the portion of gains and losses on a hedging instrument in a cash flow hedge that is determined to be an effective hedge, as described in Note 1(N). Refer to further disclosures at Note 16.

(D) Net investment hedge reserve

The net investment hedge reserve is used to record gains and losses on a hedging instruments in a fair value hedge, as described in Note 1(F). Refer to further disclosures at Note 16.

(E) Share-based payment reserve

The share-based payments reserve is used to recognise the fair value of shares issued but not vested and transfers to fund the acquisition of Share Trust shares, as described in Note 1(T)(ii).

25. Retained profits

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Balance at beginning of the financial year		**821,987**	748,164	**490,535**	730,731
Net (loss)/profit for the financial year		**(380,050)**	386,878	**(245,175)**	59,186
Actuarial (loss)/gain on defined benefit plans, net of tax		**(5,093)**	(4,315)	**-**	-
Tax benefits recognised directly in equity		**7,502**	8,427	**-**	-
Reclassification of tax benefits to equity		**-**	7,833	**-**	-
Total available for appropriation		**444,346**	1,146,987	**245,360**	789,917
Dividends paid	6	**(206,742)**	(325,000)	**(181,736)**	(299,382)
Balance at end of the financial year		**237,604**	821,987	**63,624**	490,535

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
26. Minority interest				
Interest in:				
Contributed equity	**1,783**	4,898	**-**	-
Reserves	**7,679**	8,585	**-**	-
Retained profits	**(17)**	(2,482)	**-**	-
Balance at end of the financial year	**9,445**	11,001	**-**	-
RECONCILIATION				
Balance at beginning of the financial year	**11,001**	12,922	**-**	-
Acquisition of controlled entities	**234**	1,587	**-**	-
Disposal of controlled entities	**(287)**	-	**-**	-
Acquisition of minority interest balances in previously controlled entities	**-**	(3,636)	**-**	-
Share of (loss)/profit for the period	**(1,038)**	612	**-**	-
Distribution to minority interest	**(461)**	(570)	**-**	-
Exchange differences	**(4)**	86	**-**	-
Balance at end of the financial year	**9,445**	11,001	**-**	**-**

	Consolidated 28 June 2009 ¢ per share	Consolidated 29 June 2008 ¢ per share
27. Earnings per share		
Basic (loss) / earnings per share		
After significant and non-recurring items less SPS dividend (net of tax) *	**(21.6)**	22.9
Diluted (loss) / earnings per share		
After significant and non-recurring items (net of tax) *	**(21.6)**	22.5

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000
Earnings reconciliation - basic		
Net (loss) / profit attributable to members of the Company	**(380,050)**	386,878
Less Dividends on SPS (net of tax)	**(15,683)**	(17,164)
Basic (loss) / earnings after significant and non-recurring items less SPS dividend	**(395,733)**	369,714
Earnings reconciliation - diluted		
Net (loss) / profit attributable to members of the Company	**(380,050)**	386,878

	Consolidated 28 June 2009 Number '000	Consolidated 29 June 2008 Number '000
Weighted average number of ordinary shares used in calculating basic EPS	**1,832,788**	1,616,910
SPS	**247,889**	99,208
Weighted average number of ordinary shares used in calculating diluted EPS	**2,080,677**	1,716,118

* The 2008 basic and dilutive earnings per share has been adjusted to reflect the bonus element inherent in the 3 for 5 rights issue completed on the 3 April 2009 where the Company raised a total of $624.6 million. Refer to Note 23(A).

28. Commitments

OPERATING LEASE COMMITMENTS - GROUP AS LESSEE

The Group has entered into commercial leases on office and warehouse premises, motor vehicles and office equipment.

Future minimum rentals payable under non-cancellable operating leases as at the period end are as follows:

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Within one year		**44,019**	49,682	**147**	-
Later than one year and not later than five years		**132,345**	140,014	**74**	-
Later than five years		**332,860**	326,224	**-**	-
Total operating lease commitments		**509,224**	515,920	**221**	-

The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

These non-cancellable leases have remaining terms of between five and twenty years. All property leases include a clause to enable upward revision of rental charge on an annual basis according to prevailing market conditions.

FINANCE LEASE COMMITMENTS - GROUP AS LESSEE

The Group has a finance lease for plant and machinery with a carrying amount of $32.5m (2008: $33.7m). The lease has an average lease term of six years (2008: seven years) and a weighted average interest rate of 13.4% (2008: 13.4%).

Future minimum lease payments under the finance lease together with the present value of the net minimum lease payments are as follows:

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Within one year		**5,076**	5,076	**-**	-
Later than one year and not later than five years		**20,304**	20,303	**-**	-
Later than five years		**6,345**	11,420	**-**	-
Minimum lease payments		**31,725**	36,799	**-**	-
Less future finance charges		**(6,387)**	(8,269)	**-**	-
Total finance lease liability		**25,338**	28,530	**-**	-
Classified as:					
Current interest bearing liabilities		**3,334**	3,194	**-**	-
Non-current interest bearing liabilities		**22,004**	25,336	**-**	-
Total finance lease liability	21(D)	**25,338**	28,530	**-**	-

CONTINGENT RENTALS UNDER FINANCE LEASE

A component of the finance lease payments are contingent on movements in the consumer price index. At balance date, the contingent rent payable over the remaining lease term of 6 years is $25.5 million (2008: $27.6 million).

CAPITAL COMMITMENTS

At 28 June 2009, the Group has commitments principally relating to the purchase of property, plant and equipment. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
Within one year	**12,645**	28,999	**-**	-
Later than one year and not later than five years	**-**	18,545	**-**	-
Later than five years	**-**	-	**-**	-
Total capital commitments	**12,645**	47,544	**-**	-

29. Contingencies

EARN OUT AGREEMENT - INVESTSMART FINANCIAL SERVICES PTY LTD AND GO EAST FURNITURE COMPANY PTY LTD

The consolidated entity has an earn out agreement which represents a contingent liability at 28 June 2009 relating to the acquisition of InvestSMART Financial Services Pty Ltd and Go East Furniture Company Pty Ltd.

Additional cash consideration of up to $38.0 million will be payable by the consolidated entity if the above business achieves specified financial performance criteria.

The amount of the earn out is based on the earnings before interest, tax, depreciation and amortisation (EBITDA) of the acquired business. The earn out target covers the 12 month period up to 30 September 2010.

A liability for the earn out has not been recognised at 28 June 2009 as the amount of the earn out is subject to a variety of factors including market behaviour, competition, trading volumes and activity and cannot be reliably determined at this stage.

When the earn out is probable and can be reliably measured, the liability will be accounted for as an additional acquisition cost and added to the carrying amount of the investment as goodwill.

EARN OUT AGREEMENT - THE WEATHER COMPANY PTY LTD

A provision of $3.8 million for the earn out agreement relating to this acquisition has been recognised as at 28 June 2009. This provision has been recognised as it is considered probable that the earn out targets will be achieved. The provision has been accounted for as an additional acquisition cost and added to the carrying amount of the investment in The Weather Company Pty Ltd as goodwill.

EARN OUT AGREEMENT - RED ROCK SOFTWARE LTD

A provision of $0.6 million for the earn out agreement relating to this acquisition has been recognised as at 28 June 2009. This provision has been recognised as it is considered probable that the earn out target will be achieved. The provision has been accounted for as an additional acquisition cost and added to the carrying amount of the investment in Red Rock Software Ltd as goodwill.

GUARANTEES

Under the terms of ASIC Class Order 98/1418 (as amended), the Company and certain controlled entities (refer Note 30), have guaranteed any deficiency of funds if any entity to the class order is wound-up. No such deficiency exists at balance date.

DEFAMATION

From time to time, entities in the Group are sued for defamation and similar matters in the ordinary course of business.
At the date of this report, there were no legal actions against the consolidated entity, other than those recognised at Note 22, that are expected to result in a material impact.

30. Controlled entities

The following entities were controlled as at the end of the financial year:

	Notes	Country of Incorporation	Ownership interest 2009 %	Ownership interest 2008 %
Fairfax Media Limited	(a)	Australia		
CONTROLLED ENTITIES				
5AU Broadcasters Proprietary Limited	(a)	Australia	100	100
ACN 074 162 888 Pty Ltd		Australia	100	100
ACN 083 365 799 Pty Ltd		Australia	100	100
ACN 101 806 302 Pty Ltd	(a)	Australia	100	100
Agricultural Publishers Pty Limited	(a)	Australia	100	100
Associated Newspapers Ltd	(a)	Australia	100	100
Australian Property Monitors Pty Limited	(a)	Australia	100	100
Border Mail Printing Pty Ltd	(a)	Australia	100	100
Bridge Printing Office Pty Limited	(a)	Australia	100	100
Bundaberg Broadcasters Pty Ltd	(a)	Australia	100	100
Bundaberg Narrowcasters Pty Ltd		Australia	100	100
Canweb Printing Pty Limited (in Liq)		Australia	100	100
Carpentaria Newspapers Pty Ltd	(a)	Australia	100	100
Central Districts Field Days Limited		New Zealand	100	100
Commerce Australia Pty Ltd		Australia	75	75
Communication Associates Limited		New Zealand	100	100
Constellar Press & Printing Pty Limited (in Liq)		Australia	100	100
Country Publishers Pty Ltd	(a)	Australia	100	100
CountryCars.com.au Pty Ltd	(a)	Australia	100	100
Creative House Publications Pty Ltd		Australia	60	60
Cudgegong Newspapers Pty Ltd		Australia	100	100
David Syme & Co Pty Limited	(a)	Australia	100	100
Debt Retrieval Agency Limited		New Zealand	100	100
Digital Radio Australia Pty Limited	(a)	Australia	100	100
Esperance Holdings Pty Ltd		Australia	100	100
Examiner Properties Pty Ltd	(a)	Australia	100	100
F@rming Online Pty Ltd		Australia	100	100
Fairfax Business Media (South Asia) Pte Limited		Singapore	100	100
Fairfax Business Media Pte Limited		Singapore	100	100
Fairfax Business Media Sdn. Bhd.		Malaysia	100	100
Fairfax Business Publications (Hong Kong) Ltd (in Liq)		Hong Kong	100	100
Fairfax Community Network Limited	(a)	Australia	100	100

	Notes	Country of Incorporation	Ownership interest 2009 %	Ownership interest 2008 %
CONTROLLED ENTITIES				
Fairfax Community Newspapers Pty Limited	(a)	Australia	100	100
Fairfax Corporation Pty Limited	(a)	Australia	100	100
Fairfax Digital Australia & New Zealand Pty Ltd	(a)	Australia	100	100
Fairfax Digital Limited	(a)	Australia	100	100
Fairfax EEC Limited (in Liq)		United Kingdom	100	100
Fairfax Group Finance New Zealand Limited		New Zealand	100	100
Fairfax Media (UK) Limited		United Kingdom	100	100
Fairfax Media Group Finance Pty Limited	(a)	Australia	100	100
Fairfax Media Management Pty Limited	(a)	Australia	100	100
Fairfax Media Publications Pty Limited	(a)	Australia	100	100
Fairfax New Zealand Finance Limited		Australia	100	100
Fairfax New Zealand Holdings Limited		New Zealand	100	100
Fairfax New Zealand Limited		New Zealand	100	100
Fairfax News Network Pty Limited	(a)	Australia	100	100
Fairfax Print Holdings Pty Limited	(a)	Australia	100	100
Fairfax Printers Pty Limited	(a)	Australia	100	100
Fairfax Radio Network Pty Limited	(a)	Australia	100	100
Fairfax Radio Syndication Pty Limited	(a)	Australia	100	100
Fairfax Regional Printers Pty Limited	(a)	Australia	100	100
Fantasports Australia Pty Ltd		Australia	100	100
Farm Progress Companies, Inc		United States	100	100
Farm Progress Holding Co, Inc		United States	100	100
Farm Progress Insurance Services, Inc		United States	100	100
Financial Essentials Pty Ltd	(a)	Australia	100	100
Go East Furniture Company Pty Ltd	(a)	Australia	100	100
Golden Mail Pty Limited		Australia	66	66
Harris and Company Pty Limited	(a)	Australia	100	100
Harris Enterprises Pty Ltd	(a)	Australia	100	100
Harris Print Pty Ltd	(a)	Australia	100	100
Harris Publications Pty Ltd		Australia	100	100
Hunter Distribution Network Pty Ltd	(a)	Australia	100	100
Illawarra Newspaper Holdings Pty Ltd	(a)	Australia	100	100
Indiana Prairie Farmer Insurance Services, Inc		United States	100	100
InvestSMART Financial Services Pty Ltd		Australia	100	100
InvestSMART Limited		New Zealand	100	100
J&R Graphics Pty Limited (in Liq)		Australia	100	100
John Fairfax & Sons Ltd	(a)	Australia	100	100
John Fairfax (US) Limited		United States	100	100
John Fairfax Limited	(a)	Australia	100	100
Lanson Investments Pty Ltd	(a)	Australia	100	100
Large Publications Pty Ltd (in Liq)		Australia	79	79
Leeton Newspapers Pty Ltd	(a)	Australia	100	100
Lime Digital Pty Limited	(a)	Australia	100	100
Macleay Valley Happynings Pty Ltd (in Liq)		Australia	100	100
Mayas Pty Ltd		Australia	100	100
Mayas Unit Trust		Australia	100	100
Media Investments Pty Ltd	(a)	Australia	100	100
Melbourne Community Newspapers Pty Ltd		Australia	100	100

	Notes	Country of Incorporation	Ownership interest 2009 %	Ownership interest 2008 %
CONTROLLED ENTITIES				
Merredin Advertiser Pty Ltd		Australia	100	100
Metropolis Media Pty Ltd (in Liq)		Australia	100	100
Micosh Pty Ltd	(a)	Australia	100	100
Miller Publishing Co, Inc		United States	100	100
Milton Ulladulla Publishing Co. Pty Ltd		Australia	60	60
Mistcue Pty Limited		Australia	65	65
Mountain Press Pty Ltd		Australia	88	88
NE Investments Pty Ltd (in Liq)		Australia	100	100
Newcastle Newspapers Pty Ltd	(a)	Australia	100	100
North Australian News Pty Ltd	(a)	Australia	100	100
Northern Newspapers Pty Ltd	(a)	Australia	100	100
NZ Rural Press Limited		New Zealand	100	100
Old Friends Limited		New Zealand	100	100
Online Services International Limited		New Zealand	100	100
Online Travel Limited	(b)	New Zealand	100	-
OSF Australia Pty Limited	(c)	Australia	100	-
Oxford Scientific Films Limited		United Kingdom	100	100
Personal Investment Direct Access Pty Limited		Australia	100	100
Port Lincoln Times Pty Ltd	(a)	Australia	100	100
Port Stephens Publishers Pty Ltd	(a)	Australia	100	100
Port Stephens Publishers Trust		Australia	100	100
Pro-Ag Pty Ltd (in Liq)		Australia	100	100
Queensland Community Newspapers Pty Limited	(a)	Australia	100	100
Radio 1278 Melbourne Pty Limited	(a)	Australia	100	100
Radio 2UE Sydney Pty Ltd	(a)	Australia	100	100
Radio 3AW Melbourne Pty Limited	(a)	Australia	100	100
Radio 4BC Brisbane Pty Limited	(a)	Australia	100	100
Radio 4BH Brisbane Pty Limited	(a)	Australia	100	100
Radio 6PR Perth Pty Limited	(a)	Australia	100	100
Radio 96FM Perth Pty Limited	(a)	Australia	100	100
Red Rock Software Limited	(d)	New Zealand	100	-
Regional Printers Pty Limited	(a)	Australia	100	100
Regional Publishers (Tasmania) Pty Ltd	(a)	Australia	100	100
Regional Publishers (Victoria) Pty Limited	(a)	Australia	100	100
Regional Publishers (Western Victoria) Pty Limited	(a)	Australia	100	100
Regional Publishers Pty Ltd	(a)	Australia	100	100
Riverina Newspapers (Griffith) Pty Ltd	(a)	Australia	100	100
RP Interactive Pty Ltd		Australia	100	100
RPL Technology Pty Limited (in Liq)		Australia	100	100
RSVP.com.au Pty Limited	(a)	Australia	100	100
Rural Press (North Queensland) Pty Limited		Australia	100	100
Rural Press (USA) Limited		United States	100	100
Rural Press Ltd	(a)	Australia	100	100
Rural Press Printing (Victoria) Pty Limited	(a)	Australia	100	100
Rural Press Printing Pty Limited	(a)	Australia	100	100
Rural Press Queensland Pty Ltd	(a)	Australia	100	100
Rural Press Regional Media (WA) Pty Limited	(a)	Australia	100	100
Rural Press Share Plan Pty Limited		Australia	100	100

	Notes	Country of Incorporation	Ownership interest 2009 %	2008 %
CONTROLLED ENTITIES				
Rural Press USA Inc		United States	100	100
Rural Publishers Pty Limited	(a)	Australia	100	100
Southern Weekly Partnership		Australia	51	51
S.A. Regional Media Pty Limited	(a)	Australia	100	100
Satellite Interactive Marketing Pty Limited		Australia	100	100
Satellite Music Australia Pty Limited	(a)	Australia	100	100
Snowy Mountains Publications Pty Ltd (in Liq)		Australia	100	100
Stayz Limited		New Zealand	100	100
Stayz Pty Limited	(a)	Australia	100	100
Stock Journal Publishers Pty Ltd	(a)	Australia	100	100
Suzannenic Pty Limited	(a)	Australia	100	100
The Advocate Newspaper Proprietary Limited	(a)	Australia	100	100
The Age Company Ltd	(a)	Australia	100	100
The Age Print Company Pty Ltd	(a)	Australia	100	100
The Barossa News Pty Limited	(a)	Australia	100	100
The Border Morning Mail Limited	(a)	Australia	100	100
The Border News Partnership		Australia	63	63
The Examiner Newspaper Pty Ltd	(a)	Australia	100	100
The Federal Capital Press of Australia Pty Limited	(a)	Australia	100	100
The Independent News Pty Ltd	(a)	Australia	100	100
The Murrumbidgee Irrigator Pty Ltd	(a)	Australia	100	100
The Printing Press Pty Limited	(a)	Australia	100	100
The Queanbeyan Age Proprietary Limited (in Liq)		Australia	100	100
TheVine.com.au Pty Ltd		Australia	70	70
The Wagga Daily Advertiser Pty Ltd	(a)	Australia	100	100
The Warrnambool Standard Pty Ltd	(a)	Australia	100	100
The Weather Company Pty Limited		Australia	75	75
Tofua Holdings Pty Ltd (in Liq)		Australia	100	100
Trade Me Limited		New Zealand	100	100
Tricom Group Pty Ltd	(a)	Australia	100	100
Vianet Trustee Limited	(e)	New Zealand	100	-
West Australian Rural Media Pty Ltd	(a)	Australia	100	100
Western Australian Primary Industry Press Pty Ltd	(a)	Australia	100	100
Western Magazine Pty Ltd		Australia	75	75
Western Magazine Settlement Trust		Australia	75	75
Whyalla News Properties Pty Ltd	(a)	Australia	100	100
Winbourne Pty Limited	(a)	Australia	100	100

(a) The Company and the controlled entities incorporated within Australia are party to Class Order 98/1418 (as amended) issued by the Australian Securities & Investment Commission. These entities have entered into a Deed of Cross Guarantee dated June 2007 (as varied from time to time) under which each entity guarantees the debts of the others. These companies represent a 'Closed Group' for the purposes of the Class Order and there are no other members of the 'Extended Closed Group'. Under the Class Order, these entities have been relieved from the requirements of the Corporations Act 2001 with regard to the preparation, audit and publication of accounts.

(b) Incorporated on 11 May 2009.

(c) Incorporated on 16 January 2009.

(d) Acquired on 31 March 2009.

(e) Acquired on 11 May 2009.

DEED OF CROSS GUARANTEE

Fairfax Media Limited and certain wholly-owned entities (the “Closed Group”) identified at (a) above are parties to a Deed of Cross Guarantee under ASIC Class Order 98/1418 (as amended). Pursuant to the requirements of that Class Order, a summarised consolidated income statement for the period ended 28 June 2009 and consolidated balance sheet as at 28 June 2009, comprising the members of the Closed Group after eliminating all transactions between members are set out below:

(A) BALANCE SHEET

	2009 $'000	2008 $'000
Current assets		
Cash and cash equivalents	**24,592**	40,634
Trade and other receivables	**289,321**	413,447
Inventories	**35,466**	38,395
Derivative assets	**46**	3,314
Assets held for sale	**5,527**	1,096
Other current assets	**35,978**	11,610
Total current assets	**390,930**	508,496
Non-current assets		
Receivables	**576,037**	517,084
Investments accounted for using the equity method	**44,947**	43,926
Available for sale investments	**2,157**	3,547
Held to maturity investments	**13,216**	14,686
Intangible assets	**4,003,600**	4,829,520
Property, plant and equipment	**706,638**	780,222
Derivative assets	**130,392**	59,403
Pension asset	**531**	4,858
Deferred tax assets	**91,929**	107,080
Other financial assets	**1,144,266**	1,277,473
Other non-current assets	**-**	8,890
Total non-current assets	**6,713,713**	7,646,689
Total assets	**7,104,643**	8,155,185
Current liabilities		
Payables	**221,662**	269,023
Interest bearing liabilities	**12,259**	15,816
Derivative liabilities	**26,757**	919
Provisions	**114,073**	111,630
Current tax liabilities	**1,274**	2,018
Total current liabilities	**376,025**	399,406

	2009 $'000	2008 $'000
Non-current liabilities		
Interest bearing liabilities	**1,427,075**	2,352,638
Derivative liabilities	**47,729**	149,295
Deferred tax liabilities	**84,663**	116,042
Provisions	**47,040**	44,052
Pension liabilities	**2,685**	-
Other	**-**	2,881
Total non-current liabilities	**1,609,192**	2,664,908
Total liabilities	**1,985,217**	3,064,314
Net assets	**5,119,426**	5,090,871
Equity		
Contributed equity	**4,928,122**	4,318,409
Reserves	**(61,544)**	137,334
Retained profits	**252,848**	635,128
Total equity	**5,119,426**	5,090,871

(B) INCOME STATEMENT

	2009 $'000	2008 $'000
Total revenue	**1,968,112**	2,322,237
Share of net (losses)/profits of associates and joint ventures	**(76)**	8,478
Expenses before finance costs	**(2,185,766)**	(1,874,469)
Finance costs	**(54,317)**	(104,699)
Net (loss)/profit from operations before income tax expense	**(272,047)**	351,547
Income tax expense	**(22,494)**	(95,254)
Net (loss)/profit from operations after income tax expense	**(294,541)**	256,293

31. Acquisition and disposal of controlled entities

(A) ACQUISITIONS

The consolidated entity gained control over the following entities or publishing assets during the year:

Entity or business acquired	Principal activity	Date of Acquisition	Ownership Interest
Connect 4	Financial information services	31 July 2008	(i)
Waiheke Marketplace	Newspaper publishing	28 August 2008	(ii)
D-Scene	Newspaper publishing	15 September 2008	(iii)
Katherine Times	Newspaper publishing	21 October 2008	(iv)
New Zealand Lifestyle Block	Magazine publishing	24 October 2008	(v)
Infego Communications Limited	Magazine publishing	14 November 2008	(vi)
Red Rock Software Limited	Online holiday accommodation advertising	31 March 2009	100%
Vianet International Limited	Online tourism solution provider	11 May 2009	(vii)

(i) The business assets of Connect 4 were acquired, including the Connect 4 trademark and the www.connect4.com.au domain name.

(ii) The publishing assets of Waiheke Marketplace were acquired, including the Waiheke Marketplace and Property Lifestyle masthead.

(iii) The publishing assets of D-Scene were acquired, including the D-Scene masthead.

(iv) The publishing assets of Katherine Times were acquired, including the Katherine Times masthead.

(v) The publishing assets of New Zealand Lifestyle Block were acquired, including the New Zealand Lifestyle Block masthead.

(vi) The publishing assets of Infego Communications Limited were acquired, including the Unlimited, Actv8, Exec.Ed. and Start Up Mastheads.

(vii) The business assets of Vianet International Limited were acquired, including a 100% share of Vianet Trustee Limited.

For additional information refer to Note 32(B).

(B) DISPOSALS

The consolidated entity disposed of its interests in the following entities or publishing assets during the year:

Entity or business disposed	Principal activity	Date of Disposal	Ownership Interest
Carnival Film & Television Limited	Television production	19 September 2008	75%
Southern Star Group Limited and its controlled entities	Television production and distribution	6 April 2009	100%
Real Estate Publications Australasia Pty Limited	Magazine publishing	22 April 2009	55%
Homes Pictorial Publications Unit Trust	Magazine publishing	22 April 2009	55%

32. Business combinations

(A) SOUTHERN CROSS BROADCASTING

On 9 November 2007 certain assets and liabilities of Southern Cross Broadcasting were acquired.

At 29 June 2008, the purchase price allocation for this business combination was based on provisional information. During the financial year ended 28 June 2009, the purchase price allocation was finalised. The impact of this was a decrease to goodwill of $13.8 million. The fair value of the identifiable assets and liabilities of Southern Cross Broadcasting as at the date of acquisition were:

	Recognised on acquisition $'000	Acquiree's carrying amounts $'000
Value of net assets acquired		
Cash and cash equivalents	17,784	17,784
Receivables	72,230	72,815
Inventories	963	963
Investments accounted for using the equity method	5,605	5,505
Property, plant and equipment	34,278	30,145
Intangible assets	162,906	148,269
Assets available for sale	3,324	3,324
Other current assets	17,896	17,896
Current tax assets	3,012	3,012
Deferred income tax asset	11,602	25,973
Total assets	329,600	325,686
Payables	77,832	77,817
Interest bearing liabilities	347	347
Provisions	10,932	10,932
Other non current liabilities	1,177	1,177
Current tax liability	2,434	-
Deferred tax liability	16,318	7,582
Total liabilities	109,040	97,855
Value of identifiable net assets	220,560	227,831
Outside equity interest in net assets	(257)	-
Goodwill arising on acquisition	316,480	-
Total identifiable net assets and goodwill	536,783	227,831
Consideration		
Purchase consideration - cash	532,374	
Costs directly attributable to the acquisition	4,409	
Total consideration	536,783	
Net cash outflow on acquisition		
Net cash acquired with subsidiary	17,784	
Cash paid	(536,783)	
Net cash outflow	(518,999)	

(B) OTHER ACQUISITIONS DURING THE PERIOD

Other acquisitions, none of which were individually significant to the consolidated entity, are listed in Note 31(A).

The purchase allocation of these acquisitions has not been finalised and provisional accounting has been applied. The assets and liabilities acquired were:

	Recognised on acquisition $'000	Acquiree's carrying amounts $'000
Value of net assets acquired		
Cash and cash receivables	257	257
Receivables	347	357
Property, plant and equipment	403	403
Intangible assets	2,080	2,080
Total assets	3,087	3,097
Payables	1,027	1,027
Current tax liabilities	14	14
Provisions	118	118
Total liabilities	1,159	1,159
Value of identifiable net assets	1,928	1,938
Goodwill arising on acquisition	4,514	-
Total identifiable net assets and goodwill	6,442	1,938
Consideration		
Purchase consideration - cash	5,800	
Contingent consideration	600	
Costs directly attributable to the acquisition	42	
Total consideration	6,442	
Net cash outflow on acquisition		
Net cash acquired with subsidiary	257	
Cash paid	(5,842)	
Net cash outflow	(5,585)	

33. Employee benefits

(A) NUMBER OF EMPLOYEES

As at 28 June 2009 the consolidated entity employed 8,979 full time employees (2008: 9,800) and 1,828 part-time and casual employees (2008: 2,106). This includes 2,254 (2008: 2,353) full-time employees and 363 (2008: 488) part-time and casual employees in New Zealand.

(B) EMPLOYEE SHARE PLANS

The Company had three employee share plans during the period. All three plans have been suspended pending review of the revised tax treatment on employee share plans announced by the Federal Government in May 2009. Prior to suspension, the terms of each plan were as set out below:

1. Fairfax Exempt Employee Share Plan

This plan is open to all permanent full-time and part-time Australian employees with more than twelve months service with the consolidated entity in Australia. Under this Plan, participants may salary sacrifice up to $1,000 of pre tax salary per annum for purchase of issued Fairfax shares at the market price on the open market of the ASX. The shares are purchased by an independent trustee company on predetermined dates.

2. Fairfax Deferred Employee Share Plan

This plan is open to all permanent full-time and part-time Australian employees with more than twelve months service with the consolidated entity in Australia. Under this Plan, participants may salary sacrifice a minimum of $3,000 and up to a maximum of 25% of salary per annum for purchase of issued Fairfax shares at the market price on the open market of the ASX. The shares are purchased by an independent trustee company on pre-fixed dates.

3. Long Term Incentive Scheme

2006 - 2007 Equity-based incentive schemes (EBIS)

Under the 2006-2007 EBIS, which applied for bonuses earned in the 2006 and 2007 financial years, one third of the annual bonus earned by senior executives reporting to the CEO was deferred. The deferred amount was remitted to the trustee of the Employee Share Plan to purchases shares on market and allocates the shares inside the Plan to the relevant executive. Each executive's allocated shares vest three years after the allocation date subject to ongoing employment requirements.

2008 and ongoing equity-based incentive scheme

The long term incentive plan is available to certain permanent full-time and part-time employees of the consolidated entity. Under this plan, the cash value of a percentage of an eligible employee's annual total fixed remuneration will be in the form of rights to Fairfax shares, which are beneficially held in a trust. The shares will vest if the eligible employee remains in employment three calendar years from the date the rights are allocated and certain performance hurdles are satisfied. If the allocation does not vest at the end of year three, a re-test of the performance hurdles occurs in the fourth year. There are currently no cash settlement alternatives. Dividends on the allocated shares during the vesting period are paid directly to the eligible employee and the Company does not have any recourse to dividends paid.

34. Remuneration of auditors

During the financial year the following amounts were paid or payable for services provided by the auditor of the Company and its related parties:

	Consolidated 28 June 2009 $	Consolidated 29 June 2008 $	Company 28 June 2009 $	Company 29 June 2008 $
Audit services				
Ernst & Young Australia				
Audit and review of financial reports	**1,466,000**	1,788,000	**1,466,000**	1,788,000
Affiliates of Ernst & Young Australia				
Audit and review of financial reports	**319,000**	360,000	**319,000**	360,000
Total audit services	**1,785,000**	2,148,000	**1,785,000**	2,148,000
Other assurance services				
Ernst & Young Australia				
Regulatory and contractually required audits	**272,840**	296,000	**-**	-
Other	**119,233**	136,975	**59,905**	8,240
Affiliates of Ernst & Young Australia				
Regulatory and contractually required audits	**268,946**	321,869	**-**	-
Other	**13,546**	29,723	**-**	-
Total other assurance services	**674,565**	784,567	**59,905**	8,240
Total remuneration for assurance services	**2,459,565**	2,932,567	**1,844,905**	2,156,240
Non assurance services				
Ernst & Young Australia				
Other services	**582**	11,732	**582**	-
Affiliates of Ernst & Young Australia				
Other services	**10,765**	11,413	**-**	-
Total non assurance services	**11,347**	23,145	**582**	-
Total remuneration of auditors	**2,470,912**	2,955,712	**1,845,487**	2,156,240

35. Director and executive disclosures

(A) EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

(i) Shareholdings

	Balance 29 June 2008	Net change Other	Balance 28 June 2009	Post year-end acquisitions	Post year-end disposals	Post year-end balance
Directors						
RJ Walker	1,035,251	972,948	2,008,199	-	-	2,008,199
RC Corbett	40,091	59,115	99,206	-	-	99,206
D Evans	52,448	109,934	162,382	-	-	162,382
JB Fairfax	216,482,782	18,943,999	235,426,781	-	-	235,426,781
N Fairfax	2,412,351	1,480,130	3,892,481	-	-	3,892,481
JM King	46,068	21,135	67,203	-	-	67,203
DE Kirk**	371,280	(371,280)	-	-	-	-
B McCarthy	1,463,027	201,016	1,664,043	-	-	1,664,043
R Savage	19,996	27,903	47,899	-	-	47,899
P Young	25,183	106,564	131,747	-	-	131,747
Key management personnel						
G Hambly	133,772	44,809	178,581	-	-	178,581
J Matthews	-	46,667	46,667	-	-	46,667
J Withers**	3,296	-	3,296	-	-	3,296
S Narayan**	57,888	94,042	151,930	-	-	-
B Cassell*	775,847	285,167	1,061,014	-	-	1,061,014
Total	222,919,280	22,022,149	244,941,429	-	-	244,789,499

* B Cassell replaced S Narayan as Chief Financial Officer in May 2009.

** In the case of retired directors, the closing balance represents the number of shares at the date the director retired from the Board. For KMP, the closing balance represents the number of shares at the date of resignation.

	Balance 1 July 2007	Net change Other	Balance 29 June 2008	Post year-end acquisitions	Post year-end disposals	Post year-end balance
Directors						
RJ Walker	1,014,300	20,951	1,035,251	28,297	-	1,063,548
MD Burrows **	45,712	8,943	54,655	-	-	54,655
RC Corbett	29,540	10,551	40,091	3,989	-	44,080
D Evans	13,801	38,647	52,448	3,547	-	55,995
JB Fairfax	216,501,147	(18,365)	216,482,782	3,103	-	216,485,885
N Fairfax	1,210,113	1,202,238	2,412,351	3,989	-	2,416,340
JM King	47,252	(1,184)	46,068	3,325	-	49,393
DE Kirk	324,405	46,875	371,280	-	-	371,280
R Savage	-	19,996	19,996	3,324	-	23,320
P Young	12,367	12,816	25,183	-	-	25,183
Key management personnel						
B McCarthy	1,484,934	(21,907)	1,463,027	-	-	1,463,027
G Hambly	115,569	18,203	133,772	-	-	133,772
J Matthews	-	-	-	-	-	-
J Withers	3,296	-	3,296	-	-	3,296
S Narayan	22,981	34,907	57,888	-	-	57,888
Total	220,825,417	1,372,671	222,198,088	49,574	-	222,247,662

** In the case of retired directors, the closing balance represents the number of shares at the date the director retired from the Board.

Stapled Preference Shares (SPS)

SPS held, acquired or disposed of in the financial year ended 28 June 2009 by directors or key management personnel have been disclosed in the table above.

(B) RIGHTS OVER SHARE HOLDINGS OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Details of shares provided as remuneration is in section 5.2 of the remuneration report.

	Opening Balance 29 June 2008	Granted as remuneration	Net change Other ***	Closing Balance 28 June 2009
Directors				
DE Kirk**	739,511	857,489	(1,403,326)	193,674
B McCarthy	292,299	402,180	-	694,479
Key management personnel				
G Hambly	139,512	110,969	(36,409)	214,072
J Matthews	107,648	126,101	-	233,749
J Withers**	-	-	-	-
S Narayan**	256,848	269,016	(486,340)	39,524
B Cassell*	87,983	121,057	-	209,040
Total	1,623,801	1,886,812	(1,926,075)	1,584,538

	Opening Balance 1 July 2007	Granted as remuneration	Net change Other ***	Closing Balance 29 June 2008
Directors				
DE Kirk	116,297	623,214	-	739,511
Key management personnel				
B McCarthy	-	292,299	-	292,299
G Hambly	109,438	80,651	(50,577)	139,512
J Matthews	15,999	91,649		107,648
J Withers	-	-	-	-
S Narayan	120,613	195,518	(59,283)	256,848
Total	362,347	1,283,331	(109,860)	1,535,818

* B Cassell replaced S Narayan as Chief Financial Officer in May 2009.

** The closing balance represents the number of shares at the date of departure following resignation. For KMP, closing balance represents number of shares at the date of resignation.

*** Net change movements include forfeitures.

(C) LOANS TO KEY MANAGEMENT PERSONNEL

(i) Aggregates for key management personnel

There were no loans issued to directors of Fairfax Media Limited or to other key management personnel of the Group, including their personally related parties, during the financial period ended 28 June 2009 (2008: nil).

(ii) Individuals with loans above $100,000 during the financial year

There are no outstanding loans above $100,000 for the financial years ended 28 June 2009 and 29 June 2008.

(D) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

A number of directors of Fairfax Media Limited also hold directorships with other corporations which provide and receive goods or services to and from the Fairfax Group in the ordinary course of business on normal terms and conditions. None of these directors derive any direct personal benefit from the transactions between the Fairfax Group and these corporations.

Transactions were entered into during the financial year with the directors of Fairfax Media Limited and its controlled entities or with director-related entities, which:

- occurred within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the director or director-related entity at arm's length in the same circumstances;
- do not have the potential to adversely affect decisions about the allocation of scarce resources or discharge the responsibility of the directors; or
- are minor or domestic in nature.

During the year as part of the 3 for 5 rights issue, Fairfax Media Limited entered into an arms length transaction with ABN Amro Group (now owned by the Royal Bank of Scotland) resulting in fees paid to ABN of $5.8 million. Peter Young was a senior advisor of ABN Amro during this period.

During the prior year Fairfax Media Limited entered into arms length transactions with Lazard LLC resulting in fees paid to Lazard for the 2008 year of $3.3 million. Mr Mark Burrows, who resigned as Fairfax Group Deputy Chairman on 31 January 2008, was Managing Director of Lazard LLC and Chairman of Lazard Australia at that date.

36. Related party transactions

(A) ULTIMATE PARENT
Fairfax Media Limited is the ultimate parent company.

(B) CONTROLLED ENTITIES
Interests in controlled entities are set out in Note 30.

(C) KEY MANAGEMENT PERSONNEL
Disclosures relating to key management personnel are set out in Note 35.

(D) TRANSACTIONS WITH RELATED PARTIES
The following transactions occurred with related parties on normal market terms and conditions:

	Sales to related parties $'000	Purchases from related parties $'000	Amount owed by related parties $'000	Amount owed to related parties $'000
Consolidated				
28 June 2009	4,986	17,876	2,606	458
29 June 2008	4,573	13,736	322	239
Company				
28 June 2009	-	-	-	-
29 June 2008	-	20	-	-

Fairfax Media Limited has undertaken transactions with its controlled entities during the year including the issue and receipt of loans and management fees. On consolidation, all such transactions have been eliminated in full.

37. Notes to the cash flow statements

	Note	Consolidated 28 June 2009 $'000	Consolidated 29 June 2008 $'000	Company 28 June 2009 $'000	Company 29 June 2008 $'000
(A) RECONCILIATION OF NET (LOSS)/PROFIT AFTER INCOME TAX EXPENSE TO NET CASH INFLOW FROM OPERATING ACTIVITIES					
Net (loss)/profit for the financial year		**(381,088)**	387,490	**(245,175)**	59,186
Non-cash items					
Depreciation and amortisation	3(B)	**117,556**	108,295	**7,363**	9,514
Impairment of property, plant and equipment, intangibles and investments		**569,091**	1,382	**214,000**	-
Amortisation of borrowing costs		**3,917**	3,508	**-**	-
Share of profits of associates and joint ventures not received as dividends or distributions		**1,325**	(27)	**-**	-
Straight-line rent adjustment		**1,658**	5,080	**-**	-
Net loss/(gain) on disposal of property, plant and equipment		**264**	(2,430)	**6**	42
Net loss on disposal of investments		**5,224**	-	**5,533**	-
Net gain on disposal of other assets		**-**	(1,400)	**-**	-
Fair value adjustment to derivatives		**(1,071)**	(1,115)	**-**	-
Gain on repurchase of medium term notes		**(5,167)**	-	**-**	-
Net foreign currency loss/(gain)		**3,173**	(5,410)	**-**	-
Share based payment expense		**2,237**	4,429	**2,237**	4,429
Non-cash superannuation expense		**982**	1,461	**-**	-
Changes in operating assets and liabilities, net of effects from acquisitions					
Decrease/(increase) in trade receivables		**84,261**	377	**(14)**	785
Decrease/(increase) in other receivables		**16,396**	(18,455)	**2,446**	1,279
Decrease in inventories		**1,643**	3,785	**-**	-
Decrease in other assets		**2,307**	6,286	**-**	-
(Decrease)/increase in payables		**(3,073)**	(40,900)	**(978)**	1,264
Increase/(decrease) in provisions		**5,451**	(34,023)	**(485)**	1,259
(Decrease)/increase in tax balances		**(40,189)**	1,913	**(17,272)**	(53,391)
Net cash inflow/(outflow) from operating activities		**384,897**	420,246	**(32,339)**	24,367

(B) RECONCILIATION OF CASH AND CASH EQUIVALENTS

Reconciliation of cash at end of the financial year (as shown in the Statement of Cash Flows) to the related items in the financial statements is as follows:

Cash on hand and at bank	**69,124**	93,864	**1,680**	680
Total cash at end of the financial year	**69,124**	93,864	**1,680**	680

(C) NON-CASH INVESTING AND FINANCING ACTIVITIES

Dividends satisfied by the issue of shares under the dividend reinvestment plan are shown in Note 23(A).

38. Financial and capital risk management

Financial risk management

The Group's principal financial instruments, other than derivatives, comprise cash, short term deposits, bills of exchange, bank loans and capital markets issues. The main purpose of these financial instruments is to manage liquidity and to raise finance for the Group's operations. The Group has various other financial instruments, such as trade and other receivables and trade and other payables, which arise directly from its operations.

The Group uses derivatives in accordance with Board approved policies to reduce the Group's exposure to fluctuations in interest rates and foreign exchange rates. These derivatives create an obligation or right that effectively transfers one or more of the risks associated with an underlying financial instrument, asset or obligation. Derivative instruments that the Group uses to hedge risks such as interest rate and foreign currency movements include:

- cross currency swaps;
- interest rate swaps;
- forward foreign currency contracts;
- forward rate agreements; and
- interest rate option contracts.

The Group's risk management activities for interest rate and foreign exchange exposures are carried out centrally by Fairfax Media Group Treasury department. The Group Treasury department operates under policies as approved by the Board. The Group Treasury department operates in co-operation with the Group's operating units so as to maximise the benefits associated with centralised management of Group risk factors.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of net debt and total equity balances.

The capital structure of Group entities is monitored using net debt to EBITDA (earnings before interest, tax, depreciation and amortisation) ratio. The ratio is calculated as net debt divided by underlying EBITDA. Net debt is calculated as total interest bearing liabilities less cash and cash equivalents. Where interest bearing liabilities are denominated in a currency other than the Australian dollar functional currency, and the liability is hedged into an Australian dollar obligation, the liability is measured for financial covenant purposes as the hedged Australian dollar amount.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return equity to shareholders, issue new shares or sell assets to reduce debt. The Group continuously reviews the capital structure to ensure:

- sufficient finance for the business is maintained at a reasonable cost;
- sufficient funds are available for the business to implement its capital expenditure and business acquisition strategies;
- distributions to shareholders are maintained at a payout ratio of approximately 20% of net profit; and
- where excess funds arise with respect to the funds required to enact the Group's business strategies, consideration is given to possible returns of equity to shareholders.

The Group's financial strategy is to maintain the net debt to underlying EBITDA ratio around 3.0 times (2008: 3.0 to 3.5 times) and maintain an investment grade credit rating. In May 2009, the Group's S&P credit rating was reduced from BBB- to BB+. Notwithstanding this restatement, the Group's target credit rating remains investment grade.

The net debt to EBITDA ratio for the Group at 28 June 2009 and 29 June 2008 is as follows:

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000
Net debt for financial covenant purposes	21	**1,782,348**	2,516,251
EBITDA *		**610,226**	840,573
Net debt to EBITDA ratio		**2.9**	3.0

* For the purposes of the debt to EBITDA ratio, underlying EBITDA is adjusted for specific items of a non-recurring nature and excludes any unrealised profit or (loss) arising from mark to market revaluations of financial instruments. In respect of the first 12 month period after the acquisition of any acquired business, EBITDA will include acquired EBITDA in respect of the acquired business for any period not covered in the consolidated EBITDA of the Group.

Risk factors

The key financial risk factors that arise from the Group's activities, including the Group's policies for managing these risks are outlined below.

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The market risk factors to which the Group is exposed to are discussed in further detail below.

(A) INTEREST RATE RISK

Interest rate risk refers to the risks that the value of a financial instrument or future cash flows associated with the instrument will fluctuate due to movements in market interest rates.

Interest rate risk arises from interest bearing financial assets and liabilities that the Group utilises. Non-derivative interest bearing assets are predominantly short term liquid assets. Long term debt issued at fixed rates exposes the Group to fair value interest rate risk. The Group's borrowings which have a variable interest rate attached give rise to cash flow interest rate risk.

The Group's risk management policy for interest rate risk seeks to reduce the effects of interest rate movements on its asset and liability portfolio through management of the exposures.

The Group maintains a mix of foreign and local currency fixed rate and variable rate debt, as well as a mix of long term debt versus short term debt. The Group primarily enters into interest rate swap, interest rate option and cross currency swap agreements to manage these risks. The Group designates which of its financial assets and financial liabilities are exposed to a fair value or cash flow interest rate risk, such as financial assets and liabilities with a fixed interest rate or financial assets and financial liabilities with a floating interest rate that is reset as market rates change.

The Group hedges the currency risk on all foreign currency borrowings by entering into cross currency swaps, which have the economic effect of converting foreign currency borrowings to local currency borrowings. Over the counter derivative contracts are carried at fair value, which are estimated using valuation techniques based wherever possible on assumptions supported by observable market prices or rates prevailing at the balance sheet date. For other financial instruments for which quoted prices in an active market are available, fair value is determined directly from those quoted market prices.

Refer to Note 16 for further details of the Group's derivative financial instruments and details of hedging activities.

At balance date, the Group had the following mix of financial assets and financial liabilities exposed to interest rate risks:

Consolidated
As at 28 June 2009

	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	69,124	-	-	69,124
Trade and other receivables	-	-	346,946	346,946
Available for sale investments	-	-	2,157	2,157
Held to maturity investments	13,216	-	-	13,216
Other financial assets	-	-	1,175	1,175
Derivatives	47,873	104,869	-	152,742
Total financial assets	130,213	104,869	350,278	585,360
Financial liabilities				
Payables	-	-	300,479	300,479
Interest bearing liabilities:				
Bank borrowings and loans	301,171	20,389	-	321,560
Senior notes	30,976	607,395	-	638,371
Eurobonds	-	607,537	-	607,537
Medium term notes	-	167,481	-	167,481
Finance lease liability	25,338	-	-	25,338
Redeemable preference shares (RPS)	-	147,978	-	147,978
Total interest bearing liabilities	357,485	1,550,780	-	1,908,265
Derivatives	18,125	55,612	-	73,737
Total financial liabilities	375,610	1,606,392	300,479	2,282,481

Consolidated

As at 29 June 2008

	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	93,864	-	-	93,864
Trade and other receivables	-	-	482,355	482,355
Available for sale investments	-	-	3,547	3,547
Held to maturity investments	14,686	-	-	14,686
Other financial assets	-	-	122	122
Derivatives	21,544	37,860	-	59,404
Total financial assets	130,094	37,860	486,024	653,978
Financial liabilities				
Payables	-	-	330,045	330,045
Interest bearing liabilities:				
Bank borrowings and loans	1,022,527	24,884	-	1,047,411
Senior notes	26,729	492,947	-	519,676
Eurobonds	-	570,249	-	570,249
Medium term notes	-	199,682	-	199,682
Finance lease liability	28,530	-	-	28,530
Redeemable preference shares (RPS)	-	146,401	-	146,401
Total interest bearing liabilities	1,077,786	1,434,163	-	2,511,949
Derivatives	94,390	19,737	-	114,127
Total financial liabilities	1,172,176	1,453,900	330,045	2,956,121

Company

As at 28 June 2009

	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	1,680	-	-	1,680
Trade and other receivables	-	398,566	1,651,577	2,050,143
Total financial assets	1,680	398,566	1,651,577	2,051,823
Financial liabilities				
Payables	-	-	14,946	14,946
Total financial liabilities	-	-	14,946	14,946

Company

As at 29 June 2008

	Floating rate $'000	Fixed rate $'000	Non-interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	680	-	-	680
Trade and other receivables	-	398,566	1,274,487	1,673,053
Total financial assets	680	398,566	1,274,487	1,673,733
Financial liabilities				
Payables	-	-	15,900	15,900
Total financial liabilities	-	-	15,900	15,900

Sensitivity analysis

The table below shows the effect on net profit and equity after income tax if interest rates at balance date had been 30% higher or lower with all other variables held constant, taking into account all underlying exposures and related hedges. Concurrent movements in interest rates and parallel shifts in the yield curves are assumed.

A sensitivity of 30% (2008: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian interest rates. A 30% sensitivity would move short term interest rates at 28 June 2009 from around 3.24% to 4.21% representing a 97 basis point shift (2008: 78 basis point shift).

In 2009, 86% (2008: 92%) of the Group's debt, taking into account all underlying exposures and related hedges was denominated in Australian Dollars; therefore, only the movement in Australian interest rates is used in this sensitivity analysis.

Based on the sensitivity analysis, if interest rates were 30% higher, net profit would be impacted by the interest expense being higher on the Group's net floating rate Australian Dollar positions during the year.

	Impact on post-tax profit		Impact on equity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Consolidated				
If interest rates were 30% higher with all other variables held constant - increase/(decrease)	**(6,397)**	(12,455)	**1,554**	(1,761)
If interest rates were 30% lower with all other variables held constant - increase/(decrease)	**6,397**	12,455	**(1,307)**	1,761

(B) FOREIGN CURRENCY RISK

Foreign currency risk refers to the risk that the value or the cash flows arising from a financial commitment, or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency exchange risk arises primarily from:

- borrowings denominated in foreign currency; and
- firm commitments and/or highly probable forecast transactions for receipts and payments settled in foreign currencies and prices dependent on foreign currencies respectively.

The Group is exposed to foreign exchange risk from various currency exposures, primarily with respect to:

- United States Dollars;
- New Zealand Dollars;
- Euro;
- British Pounds Sterling;
- Swiss Francs;
- Singapore Dollars; and
- Malaysian Ringgit.

Forward foreign exchange contracts are used to hedge the Group's known non-debt related foreign currency risks. These contracts generally have maturities of less than twelve months after the balance sheet date and consequently the net fair value of the gains and losses on these contracts will be transferred from the cash flow hedging reserve to the income statement at various dates during this period when the underlying exposure impacts earnings. The derivative contracts are carried at fair value, being the market value as quoted in an active market.

The Group's risk management policy for foreign exchange is to only hedge known or highly probable future transactions. The policy only permits hedging of the Group's underlying foreign exchange exposures.

Benefits or costs arising from currency hedges for revenue and expense transactions that are designated and documented in a hedge relationship are brought to account in the income statement over the lives of the hedge transactions depending on the effectiveness testing outcomes and when the underlying exposure impacts earnings. For transactions entered into that hedge specific capital or borrowing commitments, any cost or benefit resulting from the hedge forms part of the initial asset or liability carrying value.

When entered into, the Group formally designates and documents the financial instrument as a hedge of the underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. The Group formally assesses both at the inception and at least semi-annually thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in either the fair value or cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the fair values or cash flows of the underlying exposures being hedged. Any ineffective portion of a financial instrument's change in fair value is immediately recognised in the income statement and this is mainly attributable to financial instruments in a fair value hedge relationship. Derivatives entered into and not documented in a hedge relationship are revalued with the changes in fair value recognised in the income statement. All of the Group's derivatives are straight forward over-the-counter instruments with liquid markets.

Refer to Note 16 for further details of the Group's derivative financial instruments and details of hedging activities.

Sensitivity analysis

The tables below show the effect on net profit and equity after income tax as at balance date from a 10% weaker/stronger base currency movement in exchange rates at that date on a total derivative portfolio with all other variables held constant.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for potential future movement. The Group's foreign currency risk from the Group's long term borrowings denominated in foreign currencies has no significant impact on profit from foreign currency movements as they are effectively hedged.

(a) AUD / NZD

Comparing the Australian Dollar exchange rate against the New Zealand Dollar, a 10% weaker Australian Dollar would result in an exchange rate of 1.1244 and a 10% stronger Australian Dollar in an exchange rate of 1.3742 based on the year end rate of 1.2493. This range is considered reasonable given over the last five years, the Australian Dollar exchange rate against the New Zealand Dollar has traded in the range of 1.0421 to 1.2692.

	Impact on post-tax profit		Impact on equity (hedging reserves) *	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Consolidated				
If the AUD exchange rate was 10% weaker against the NZD with all other variables held constant - increase/(decrease)	**5,457**	368	**(21,838)**	(26,392)
If the AUD exchange rate was 10% stronger against the NZD with all other variables held constant - increase/(decrease)	**(2,460)**	81	**20,496**	21,797

* Hedging reserves includes both the cash flow hedge reserve and net investment hedge reserve

(b) AUD / USD

Comparing the Australian Dollar exchange rate against the United States Dollar, a 10% weaker Australian Dollar would result in an exchange rate of 0.7261 and a 10% stronger Australian Dollar in an exchange rate of 0.8875 based on the year end rate of 0.8068. This range is considered reasonable given over the last five years, the Australian Dollar exchange rate against the United States Dollar has traded in the range of 0.6021 to 0.9788.

	Impact on post-tax profit		Impact on equity (cash flow hedge reserve)	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Consolidated				
If the AUD exchange rate was 10% weaker against the USD with all other variables held constant - increase/(decrease)	**(499)**	116	**2,710**	1,836
If the AUD exchange rate was 10% stronger against the USD with all other variables held constant - increase/(decrease)	**322**	(95)	**(2,224)**	(1,509)

(c) AUD / EUR

Comparing the Australian Dollar exchange rate against the Euro, a 10% weaker Australian Dollar would result in an exchange rate of 0.5164 and a 10% stronger Australian Dollar in an exchange rate of 0.6312 based on the year end rate of 0.5738. This range is considered reasonable given over the last five years, the Australian Dollar exchange rate against the Euro has traded in the range of 0.4796 to 0.6460.

	Impact on post-tax profit		Impact on equity (cash flow hedge reserve)	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Consolidated				
If the AUD exchange rate was 10% weaker against the Euro with all other variables held constant - increase/(decrease)	**-**	-	**2,304**	(787)
If the AUD exchange rate was 10% stronger against the Euro with all other variables held constant - increase/(decrease)	**(2,200)**	(53)	**(72)**	643

(d) NZD / EUR

Comparing the New Zealand Dollar exchange rate against the Euro, a 10% weaker New Zealand Dollar would result in an exchange rate of 0.4136 and a 10% stronger New Zealand Dollar in an exchange rate of 0.5056 based on the year end rate of 0.4596. This range is considered reasonable given over the last five years, the New Zealand Dollar exchange rate against the Euro has traded in the range of 0.3911 to 0.6127.

	Impact on post-tax profit		Impact on equity (cash flow hedge reserve)	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Consolidated				
If the NZD exchange rate was 10% weaker against the Euro with all other variables held constant - increase/(decrease)	**-**	-	**330**	923
If the NZD exchange rate was 10% stronger against the Euro with all other variables held constant - increase/(decrease)	**-**	-	**(268)**	(753)

* Amounts disclosed in Australian Dollar terms

The Company is not exposed to any foreign currency risks on borrowings.

(C) CREDIT RISK

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Group to make a financial loss. The Group has exposure to credit risk on all financial assets included in the Group's balance sheet. To help manage this risk, the Group:

- has a policy for establishing credit limits for the entities it deals with;
- may require collateral where appropriate; and
- manages exposures to individual entities it either transacts with or enters into derivative contracts with (through a system of credit limits).

The Group is exposed to credit risk on financial instruments and derivatives. For credit purposes, there is only a credit risk where the contracting entity is liable to pay the Group in the event of a closeout. The Group has policies that limit the amount of credit exposure to any financial institution. Derivative counterparties and cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Group's policy requirements. At 28 June 2009 counterparty credit risk was limited to financial institutions with credit ratings ranging from A- to AA.

The Group's credit risk is mainly concentrated across a number of customers and financial institutions. The Group does not have any significant credit risk exposure to a single or group of customers or individual institutions.

Financial assets are considered impaired where there is objective evidence that the Group will not be able to collect all amounts due according to the original trade and other receivable terms. Factors considered when determining if an impairment exists include ageing and timing of expected receipts and the credit worthiness of counterparties. A provision for doubtful debts is created for the difference between the assets carrying value and the present value of estimated future cash flows. The Group's trading terms do not generally include the requirement for customers to provide collateral as security for financial assets.

Refer to Note 7 for an ageing analysis of trade receivables and the movement in the provision for doubtful debts. All other financial assets are not impaired and are not past due. Based on the credit history of these classes, it is expected that these amounts will be received when due.

(D) LIQUIDITY RISK

Liquidity risk is the risk that the Group cannot meet its financial commitments as and when they fall due.

To help reduce this risk the Group:

- has a liquidity policy which targets a minimum level of committed facilities and cash relative to EBITDA;
- has readily accessible funding arrangements in place; and
- staggers maturities of financial instruments.

The contractual maturity of the Group's fixed and floating rate derivatives, other financial assets and other financial liabilities are shown in the tables below. The amounts represent the future undiscounted principal and interest cash flows and therefore may not equate to the values disclosed in the balance sheet.

As at 28 June 2009	Consolidated (Nominal cash flows)				Company (Nominal cash flows)	
	1 year or less $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	1 year or less $'000	1 to 2 years $'000
Financial liabilities*						
Payables	(300,479)	-	-	-	(14,946)	-
Bank borrowings and loans	(24,392)	(257,850)	(35,953)	(15,533)	-	-
Notes and bonds	(84,834)	(314,721)	(749,522)	(598,378)	-	-
Finance lease liability	(8,126)	(8,441)	(27,424)	(12,467)	-	-
Redeemable Preference Shares (RPS)	(153,223)	-	-	-	-	-
Derivatives - inflows*						
Cross currency swaps - foreign leg (fixed)**	218,533	127,283	793,481	504,759	-	-
Cross currency swaps - foreign leg (variable)**	363	363	1,088	31,349	-	-
Forward foreign currency contracts**	7,743	-	-	-	-	-
Derivatives - outflows*						
Cross currency swaps - AUD leg (fixed)**	(206,303)	(24,110)	(241,933)	(154,622)	-	-
Cross currency swaps - AUD leg (variable)**	(23,942)	(94,843)	(392,234)	(185,472)	-	-
Cross currency swaps - NZD leg (variable)**	(9,352)	(9,352)	(93,533)	(188,987)	-	-
Interest rate swaps ***	(16,846)	(16,846)	(25,284)	(6,328)	-	-
Forward foreign currency contracts**	(7,880)	-	-	-	-	-

As at 29 June 2008	Consolidated (Nominal cash flows)				Company (Nominal cash flows)	
	1 year or less $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000	1 year or less $'000	1 to 2 years $'000
Financial liabilities*						
Payables	(330,045)	-	-	-	(15,900)	-
Bank borrowings and loans	(101,272)	(513,356)	(640,431)	(27,178)	-	-
Notes and bonds	(72,787)	(72,787)	(972,424)	(512,577)	-	-
Finance lease liability	(7,847)	(8,144)	(26,397)	(22,023)	-	-
Redeemable Preference Shares (RPS)	(9,210)	(156,630)	-	-	-	-
Derivatives - inflows*						
Cross currency swaps - foreign leg (fixed)**	67,392	214,812	764,822	485,651	-	-
Cross currency swaps - foreign leg (variable)**	875	875	2,624	26,927	-	-
Forward foreign currency contracts**	139,721	-	-	-	-	-
Derivatives - outflows*						
Cross currency swaps - AUD leg (fixed)**	(32,703)	(205,950)	(256,549)	(154,866)	-	-
Cross currency swaps - AUD leg (variable)**	(51,758)	(51,758)	(522,428)	(194,354)	-	-
Cross currency swaps - NZD leg (variable)**	(22,632)	(22,632)	(67,897)	(293,491)	-	-
Forward foreign currency contracts**	(137,044)	-	-	-	-	-

* For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date.

** Contractual amounts to be exchanged representing gross cash flows to be exchanged.

*** Net amount for interest rate swaps for which net cash flows are exchanged.

(E) FAIR VALUE

The carrying amounts and fair values of financial assets and financial liabilities at balance date are:

	Carrying value 2009 $'000	Fair value 2009 $'000	Carrying value 2008 $'000	Fair value 2008 $'000
Consolidated				
Financial assets				
Cash and cash equivalents	**69,124**	**69,124**	93,864	93,864
Receivables	**346,932**	**346,932**	482,355	482,355
Derivative assets	**152,915**	**152,915**	62,936	62,936
Available for sale investments	**2,157**	**2,157**	3,547	3,547
Held to maturity investments	**13,216**	**13,216**	14,686	14,686
Other financial assets	**1,175**	**1,175**	122	122
	585,519	**585,519**	657,510	657,510
Financial liabilities				
Payables	**300,479**	**300,479**	330,045	330,045
Interest bearing liabilities				
- bank borrowings	**321,560**	**321,558**	1,047,411	1,047,411
- Eurobonds	**607,537**	**609,741**	570,249	573,296
- senior notes	**638,371**	**640,583**	519,676	522,280
- medium term notes	**167,481**	**167,700**	199,682	200,000
- lease liability	**25,338**	**36,187**	28,530	38,897
- Redeemable Preference Shares (RPS)	**147,978**	**149,123**	146,401	148,623
Derivative liabilities	**74,487**	**74,487**	122,257	122,257
	2,283,231	**2,299,858**	2,964,251	2,982,809
Company				
Financial assets				
Cash and cash equivalents	**1,680**	**1,680**	680	680
Receivables	**2,050,143**	**2,050,143**	1,673,053	1,673,053
	2,051,823	**2,051,823**	1,673,733	1,673,733
Financial liabilities				
Payables	**14,946**	**14,946**	15,900	15,900
	14,946	**14,946**	15,900	15,900

Market values have been used to determine the fair value of listed available for sale investments.

The fair value of the senior notes and lease liabilities have been calculated by discounting the future cash flows by interest rates for liabilities with similar risk profiles. The discount rates applied range from 2.66% to 13.38% (2008: 5.75% to 13.38%).

The carrying value of all other balances approximate their fair value.

39. Segment reporting

Business segments

The consolidated entity is organised into three business segments, publishing & printing, digital and broadcasting. The publishing and printing segment comprises newspaper, magazine and general publishing and printing. Revenues are generated from circulation sales, printing and the sale of advertising in those publications. The digital segment incorporates the Group's online news sites and transactional businesses. Broadcasting comprises radio stations and licences and television production.

Geographical segments

The consolidated entity operates predominantly in two geographic segments, Australia and New Zealand.

(A) PRIMARY REPORTING FORMAT - BUSINESS SEGMENT

(i) Results

	Printing & Publishing $'000	Digital $'000	Broadcasting $'000	Other $'000	Consolidated entity $'000
28 June 2009					
Sales to external customers	2,239,267	187,785	171,821	1,052	2,599,925
Intersegment sales	-	347	-	-	347
Total revenue	2,239,267	188,132	171,821	1,052	2,600,272
Intersegment elimination					(347)
Other revenue				9,597	9,597
Total segment revenue	2,239,267	188,132	171,821	10,649	2,609,522
Segment profit/(loss) from operations before income tax expense	(133,395)	77,123	(42,636)	(77,647)	(176,555)
Unallocated revenue less unallocated expenses				(174,861)	(174,861)
Net (loss)/profit from operations before income tax expense				(252,508)	(351,416)
Income tax expense				(29,672)	(29,672)
Net (loss)/profit after income tax expense				(282,180)	(381,088)

	Printing & Publishing $'000	Digital $'000	Broadcasting $'000	Other $'000	Consolidated entity $'000
29 June 2008					
Sales to external customers	2,555,847	169,856	185,528	-	2,911,231
Intersegment sales	-	-	-	-	-
Total revenue	2,555,847	169,856	185,528	-	2,911,231
Intersegment elimination					-
Other revenue				22,776	22,776
Total segment revenue	2,555,847	169,856	185,528	22,776	2,934,007
Segment profit/(loss) from operations before income tax expense	632,346	81,704	33,426	(37,428)	710,048
Unallocated revenue less unallocated expenses				(186,875)	(186,875)
Net profit from operations before income tax expense				(224,303)	523,173
Income tax expense				(135,683)	(135,683)
Net profit after income tax expense				(359,986)	387,490

(ii) Assets and liabilities

28 June 2009

	Printing & Publishing $'000	Digital $'000	Broadcasting $'000	Other $'000	Consolidated entity $'000
Assets					
Segment assets	5,996,018	807,486	347,029	293,774	7,444,307
Unallocated assets					150,900
Total assets					7,595,207
Liabilities					
Segment liabilities	331,003	37,568	23,871	163,662	556,104
Unallocated liabilities					2,027,313
Total liabilities					2,583,417
Net assets					5,011,790

29 June 2008

	Printing & Publishing $'000	Digital $'000	Broadcasting $'000	Other $'000	Consolidated entity $'000
Assets					
Segment assets	6,562,522	769,799	656,484	175,713	8,164,518
Unallocated assets					128,583
Total assets					8,293,101
Liabilities					
Segment liabilities	299,797	31,691	94,294	235,649	661,431
Unallocated liabilities					2,666,336
Total liabilities					3,327,767
Net assets					4,965,334

(iii) Other detailed segment disclosures

	Printing & Publishing $'000	Digital $'000	Broadcasting $'000	Other $'000	Consolidated entity $'000
28 June 2009					
Equity method investments included in segment assets	26,882	12,423	433	6,930	46,668
Acquisition of property, plant and equipment, intangible assets and other non-current assets	81,508	21,652	4,232	24,096	131,488
Depreciation and amortisation	98,774	13,909	3,099	1,774	117,556
Impairment of property, plant and equipment, intangibles and investments	463,984	-	71,589	33,518	569,091
Other non-cash expenses	154,214	9,494	4,422	18,564	186,694
29 June 2008					
Equity method investments included in segment assets	27,650	977	9,686	7,377	45,690
Acquisition of property, plant and equipment, intangible assets and other non-current assets	92,277	19,281	1,959	36,531	150,048
Depreciation and amortisation	91,901	9,769	3,965	2,660	108,295
Impairment of property, plant and equipment, intangibles and investments	-	-	-	1,382	1,382
Other non-cash expenses	80,197	5,762	2,204	21,102	109,265

(B) SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENT

(i) Results

	Australia $'000	New Zealand $'000	Consolidated entity $'000
28 June 2009			
Segment revenue	2,103,386	496,539	2,599,925
Total revenue	2,103,386	496,539	2,599,925
Other unallocated revenue	-	-	9,597
Total segment revenue	2,103,386	496,539	2,609,522
Segment profit/(loss) from operations before income tax expense	(251,810)	70,088	(176,555)
Unallocated revenue less unallocated expenses	-	-	(174,861)
Net (loss)/profit from operations before income tax expense	(251,810)	70,088	(351,416)
Income tax expense	-	-	(29,672)
Net (loss)/profit after income tax expense	(251,810)	70,088	(381,088)

	Australia $'000	New Zealand $'000	Consolidated entity $'000
29 June 2008			
Segment revenue	2,322,100	586,863	2,908,963
Total revenue	2,322,100	586,863	2,908,963
Other unallocated revenue	-	-	25,044
Total segment revenue	2,322,100	586,863	2,934,007
Segment profit from operations before income tax expense	498,738	211,310	710,048
Unallocated revenue less unallocated expenses	-	-	(186,875)
Net profit from operations before income tax expense	498,738	211,310	523,173
Income tax expense	-	-	(135,683)
Net profit after income tax expense	498,738	211,310	387,490

(ii) Assets and liabilities

28 June 2009

	Australia $'000	New Zealand $'000	Consolidated entity $'000
Assets			
Segment assets	5,828,863	1,615,444	7,444,307
Unallocated assets			150,900
Total assets			7,595,207
Liabilities			
Segment liabilities	474,227	81,876	556,103
Unallocated liabilities			2,027,314
Total liabilities			2,583,417
Net assets			5,011,790

29 June 2008

	Australia $'000	New Zealand $'000	Consolidated entity $'000
Assets			
Segment assets	6,489,637	1,674,903	8,164,540
Unallocated assets			128,561
Total assets			8,293,101
Liabilities			
Segment liabilities	550,518	110,913	661,431
Unallocated liabilities			2,666,336
Total liabilities			3,327,767
Net assets			4,965,334

(iii) Other detailed segment disclosures

	Australia 28 June 2009 $'000	New Zealand 28 June 2009 $'000	Australia 29 June 2008 $'000	New Zealand 29 June 2008 $'000
Equity method investments included in segment assets	**44,933**	**1,735**	43,926	1,764
Acquisition of property, plant and equipment, intangible assets and other non-current assets	**96,778**	**34,710**	115,508	34,540
Depreciation and amortisation	**101,762**	**15,794**	94,131	14,164
Impairment of property, plant and equipment, intangibles and investments	**504,720**	**64,371**	1,382	-
Other non-cash expenses	**165,337**	**21,357**	95,963	13,302

40. Events subsequent to balance sheet date

No significant events subsequent to the balance sheet date have occurred.

Directors' Declaration

In accordance with a resolution of the directors of Fairfax Media Limited, we state that:

1. In the opinion of the directors:

   a) the financial report and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

      I. giving a true and fair view of the Company's and consolidated entity's financial position as at 28 June 2009 and of their performance for the period ended on that date; and

      II. complying with Accounting Standards and Corporations Regulations 2001; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declaration required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for financial period ended 28 June 2009.

3. In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in Note 30 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

Ronald Walker

Chairman

Brian McCarthy

Chief Executive Officer and Director

1 September 2009

Independent Auditor's Report to the Members of Fairfax Media Limited

Ernst & Young Centre
680 George Street
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Independent auditor's report to the members of Fairfax Media Limited

Report on the Financial Report

We have audited the accompanying financial report of Fairfax Media Limited, which comprises the balance sheet as at 28 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the period 30 June 2008 to 28 June 2009, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Independent Auditor's Report to the Members of Fairfax Media Limited

ERNST & YOUNG

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Auditor's Opinion

In our opinion:

1. the financial report of Fairfax Media Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of Fairfax Media Limited and the consolidated entity at 28 June 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 22 of the directors' report for the year ended 28 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Fairfax Media Limited for the year ended 28 June 2009, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Christopher George
Partner
Sydney
1 September 2009

TWENTY LARGEST HOLDERS OF SECURITIES AT 28 AUGUST 2009

	Number of securities	%
ORDINARY SHARES (FXJ)		
National Nominees Limited	439,394,282	18.68%
J P Morgan Nominees Australia Limited	313,411,755	13.33%
HSBC Custody Nominees (Australia) Limited	238,394,592	10.14%
Marinya Media Pty Ltd	227,650,358	9.68%
Cogent Nominees Pty Limited	84,643,634	3.60%
Citicorp Nominees Pty Limited	76,088,278	3.24%
ANZ Nominees Limited	45,949,578	1.95%
Australian Reward Investment Alliance	41,687,479	1.77%
Citicorp Nominees Pty Limited <CFS WSLE GEARED SHR FND A/C>	28,845,932	1.23%
Tasman Asset Management Ltd	28,596,184	1.22%
HSBC Custody Nominees (Australia) Limited - GSCO ECA	25,509,005	1.08%
UBS Nominees Pty Ltd	24,555,088	1.04%
RBC Dexia Investor Services Australia Nominees Pty Limited	24,317,763	1.03%
Citicorp Nominees Pty Limited <CFS WSLE 452 AUST SHARE A/C>	23,875,574	1.02%
AMP Life Limited	21,873,798	0.93%
Citicorp Nominees Pty Limited <CFS WSLE IMPUTATION FND A/C>	20,589,532	0.88%
J P Morgan Nominees Australia Limited	16,551,345	0.70%
Argo Investments Limited	15,779,138	0.67%
Queensland Investment Corporation	15,440,355	0.66%
Citicorp Nominees Pty Limited <CFS IMPUTATION FUND A/C>	14,359,323	0.61%
	1,727,512,993	73.46%

STAPLED PREFERENCE SECURITIES (SPS) (FXJPB)		
J P Morgan Nominees Australia Limited	451,267	15.04%
National Nominees Limited	313,981	10.47%
Cogent Nominees Pty Limited <SMP ACCOUNTS>	212,076	7.07%
Goldman Sachs JB Were Pty Ltd	150,000	5.00%
ANZ Nominees Limited	145,056	4.84%
Citicorp Nominees Pty Limited	133,095	4.44%
HSBC Custody Nominees (Australia) Limited - A/C 3	100,000	3.33%
Avanteos Investments Limited	79,411	2.65%
RBC Dexia Investor Services Australia Nominees Pty Limited	61,458	2.05%
UBS Nominees Pty Ltd	60,816	2.03%
Questor Financial Services Limited	52,356	1.75%
HSBC Custody Nominees (Australia) Limited	43,705	1.46%
Buttonwood Nominees Pty Ltd	37,664	1.26%
Cogent Nominees Pty Limited	33,600	1.12%
Citicorp Nominees Pty Limited <CFSIL CFS WS ENH YIELD A/C>	30,279	1.01%
M F Custodians Ltd	28,826	0.96%
Equity Trustees Limited	25,750	0.86%
Brispot Nominees Pty Ltd	25,640	0.85%
Sandhurst Trustees Ltd	22,295	0.74%
ANZ Trustees Limited	20,000	0.67%
	2,027,275	67.60%

DEBENTURES		
National Financial Services Corp.	281	100

Shareholder Information

OPTIONS

There were no options exercisable at the end of the financial year.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as shown in substantial shareholder notices received by the company as at 28 August 2009 are:

	Ordinary Shares
National Australia Bank Limited Group	255,189,749
Marinya Media Pty Ltd	232,512,219
Maple-Brown Abbott Limited	187,655,883
Commonwealth Bank of Australia	126,111,138
Morgan Stanley & Co Incorporated	119,717,545

DISTRIBUTION OF HOLDINGS AT 28 AUGUST 2009

No. of securities	No. of ordinary shareholders	No. of SPS holders	No. of debenture holders
1 - 1,000	11,017	1,293	1
1,001 - 5,000	21,639	167	-
5,001 - 10,000	7,824	17	-
10,001 - 100,000	7,226	18	-
100,001 and over	463	6	-
Total number of holders	48,169	1,501	1
Number of holders holding less than a marketable parcel	3,489	-	-

VOTING RIGHTS

Voting rights of ordinary shareholders are governed by Rules 5.8 and 5.9 of the Company's Constitution which provide that every member present personally or by proxy, attorney or representative shall on a show of hands have one vote and on a poll, shall have one vote for every share held. SPS and debentures do not carry any voting rights.

Five Year Performance Summary

Fairfax Media Limited and Controlled Entities

		2009	2008	2007	2006	2005
Total revenue	$m	2,609.5	2,934.0	2,178.5	1,909.9	1,880.2
Revenues from operations	$m	2,599.1	2,900.9	2,111.4	1,907.8	1,873.4
(Loss)/earnings before depreciation, interest and tax (EBITDA)	$m	(59.0)	818.3	560.7	493.5	511.4
Depreciation	$m	117.6	108.3	111.3	79.8	80.1
(Loss)/earnings before interest and tax	$m	(176.6)	710.0	449.4	413.7	431.3
Net interest expense	$m	174.9	186.9	111.2	97.1	76.6
(Loss)/profit before tax	$m	(351.4)	523.2	338.2	316.6	354.7
Income tax expense	$m	29.7	135.7	76.6	88.5	90.8
Net (loss)/profit attributable to members of the Company	$m	(380.1)	386.9	263.5	227.5	263.2
Net profit before significant items	$m	242.4	395.3	267.8	234.3	237.6
Total equity	$m	5,011.8	4,965.3	4,961.0	2,136.8	2,168.7
Total assets	$m	7,595.2	8,293.1	8,000.5	4,087.1	3,592.8
Total borrowings	$m	1,908.3	2,511.9	2,347.7	1,507.9	1,048.4
Number of shares and debentures	m	2,352.0	1,513.5	1,479.6	939.1	924.5
Number of shareholders		49,050	50,184	50,843	40,301	38,089
Number of PRESSES holders		-	-	-	-	5,835
Number of SPS holders		1,388	1,010	733	564	-
EBITDA to operating revenue	%	(2.3)	28.2	26.6	26.0	27.5
Basic (loss)/earnings per share	cents	(21.6)	22.9	22.7	24.4	26.6
Basic earnings per share before significant items	cents	12.4	23.4	23.2	24.5	25.8
Operating cash flow per share	cents	16.4	27.7	24.7	30.7	37.2
Dividend per share	cents	2.0	20.0	20.0	19.5	23.5
Dividend payout ratio	%	-	87.3	88.1	79.9	88.3
Interest cover based on EBITDA before significant items	Times	3.5	4.4	5.3	5.1	6.5
Gearing	%	38.1	50.6	47.3	70.6	42.2
Return on equity	%	4.8	8.0	5.4	11.0	11.0

Directory
Fairfax Media Limited

ANNUAL GENERAL MEETING

The annual general meeting will be held at 10.30am on Tuesday, 10 November 2009 at the Four Seasons Hotel, 199 George Street, Sydney NSW 2000.

FINANCIAL CALENDAR

For financial year 2008/09

Stapled preference security dividend	2 November 2009
Annual general meeting	10 November 2009

Estimated for financial year end 2009/10

Interim result	February 2010
Stapled preference security dividend	April 2010
Preliminary final result	August 2010
Stapled preference security dividend	October 2010
Annual general meeting	November 2010

COMPANY SECRETARY

Gail Hambly

REGISTERED OFFICE

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1 Darling Island Road,
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SHARE REGISTRY

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Ph: 1300 888 062 (toll free within Australia)
Ph: +61 2 8280 7670
Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

STOCK EXCHANGE LISTING

The Company's ordinary shares are listed on the Australian Stock Exchange - "FXJ". The Stapled Preference Securities (SPS) are listed on the Australian Stock Exchange - "FXJPB".

The NZ redeemable preference shares are listed on the New Zealand Debt Exchange - "FXFFA".

WEBSITE

Corporate information and the Fairfax annual report can be found via the Company's website at www.fxj.com.au. The Company's family of websites can be accessed through www.fairfax.com.au.

IMPORTANT INFORMATION ABOUT THE FAIRFAX ANNUAL REPORT

A soft copy of the annual report is available at www.fxj.com.au. To obtain a hard copy of the report, contact Link Market Services - see contact details under Share Registry.

CONSOLIDATION OF SHAREHOLDINGS

Shareholders who wish to consolidate their separate shareholdings into one account should advise the Share Registry in writing.

DIRECT PAYMENT TO SHAREHOLDERS' ACCOUNTS

The Company pays dividends by direct credit to shareholders' bank accounts. The Company no longer issues cheques except in exceptional circumstances. A direct credit form can be downloaded or obtained from the Share Registry by going to **www.fxj.com.au** and clicking on **Shareholder Info Service,** or by contacting the Share Registry.

Payments are electronically credited on the dividend date and confirmed by a mailed payment advice. Shareholders are advised to notify the Share Registry (although it is not obligatory) of their tax file number so that dividends can be paid without tax being withheld.

Publications and Websites

FAIRFAX MEDIA

AUSTRALIAN PUBLICATIONS

Metropolitan Newspapers

The Sydney Morning Herald
The Sun-Herald
The Age
The Sunday Age

Magazines

theage(melbourne)magazine
Good Weekend
Sport & Style (Sydney)
Sport & Style (Melbourne)
Sunday Life
the(sydney)magazine
Travel + Leisure Australia

Canberra/Newcastle/Illawarra/ Seniors Group

<u>ACT</u>
The Canberra Times
The Chronicle
Public Sector Informant
Queanbeyan Age
Sunday Canberra Times

<u>Illawarra</u>
Illawarra Mercury
Wollongong Advertiser

<u>Newcastle</u>
Lakes Mail
The Newcastle Herald
The Newcastle and Lake Macquarie Star
Port Stephens Examiner

<u>Senior Publications</u>
Australian Senior
Queensland Senior
Senior Traveller
South Australia Senior
Tasmanian Senior
Victorian Senior
West Australian Senior

Community Newspapers (NSW)

St George & Sutherland Shire Leader
Cooks River Valley Times
Auburn Review
The Campbelltown Macarthur Advertiser
Camden Advertiser
Wollondilly Advertiser
Fairfield City Champion
Liverpool City Champion
Bankstown-Canterbury Torch
Blacktown City Sun
Parramatta Sun
Penrith City Star
St Mary's Star
Hills News
South Western Rural
Northern News

Community Newspapers (VIC)

Melbourne Weekly Magazine
The Melbourne Times
Melbourne Weekly Bayside
Emerald Hill Weekly
Melbourne Weekly Eastern
Heidelberg & Diamond Valley Weekly
Northern Weekly
Hume Weekly
Knox Journal
Maroondah / Yarra Ranges Journal
The Journal
Monash Journal
Cranbourne Journal
Berwick / Pakenham Journal
Macedon Ranges / Sunbury Telegraph
Werribee Banner / Point Cook Banner
Moonee Valley Community News
The Mail /Altona Laverton Mail/ Williamstown Advertiser
Melton / Moorabool Express Telegraph
The Advocate / North-West Advocate
Frankston / Hastings Independent
Mornington and South Peninsula Mail
Chelsea, Mordialloc, Mentone Independent
Holiday Magazine
Holiday Bass Coast & Gippsland

Regional Publishing (NSW)

Armidale Express
Armidale Express Extra
Armidale: InTune Magazine
Batemans Bay Post/Moruya Examiner
Bathurst Western Advocate
Bathurst Western Times
Bega District News
Bellingen Shire Courier Sun
Blayney Chronicle
Blue Mountains Gazette
Blue Mountains Wonderland
Bombala Times
Boorowa News
Border News
Bowral Highlands Post
Bowral: Property Press
Bowral: Southern Highland News
Braidwood Tallaganda Times
Camden Haven Courier
Canowindra News
Central Western Daily
Cessnock Advertiser
Cobar Age
Coffs Harbour Independent
Coleambally: Colypoint Observer
Colour World
Cooma Monaro Express/Jindabyne Summit Sun
Cootamundra Herald
Country Leader
Cowra Guardian
Crookwell Gazette
Daily Liberal
Dubbo Daily Liberal
Dubbo Mailbox Shopper
Dungog Chronicle
Eastern Riverina Observer
Eden Imlay Magnet
Eurobodalla Shire Independent
Eurobodalla TV Guide
Express Extra
Forbes Advocate
Forster: Great Lakes Advocate
Gilgandra Weekly
Glen Innes Examiner
Gloucester Advocate
Goodiwindi Argus
Goulburn Post
Goulburn: The Post Weekly
Great Lakes Advocate
Grenfell Record
Griffith: The Area News
Guyra Argus
Harden Murrumburrah Express
Hastings Gazette
Hawkesbury Courier
Hawkesbury Gazette
Henty: Eastern Riverina Chronicle
Hunter Valley News
Hunter Valley Town + Country
Junee: Southern Cross
Inverell Times
Kempsey: Macleay Argus
Kempsey: Macleay Valley Happenings
Laurieton: Camden Haven Courier
Leeton: The Irrigator
Lightning Ridge News
Lithgow Mercury
Macksville: Midcoast Observer
Macleay Argus
Macleay Valley Happynings
Mailbox Shopper
Maitland: Lower Hunter Star
Maitland Mercury
Manning Great Lakes Extra
Manning River Times
Merimbula News Weekly
Midcoast Happenings
Midstate Observer
Moree: Border News
Moree Champion
Moruya Examiner
Mudgee Guardian
Mudgee Weekly
Muswellbrook Chronicle
Muswellbrook: Hunter Valley News
Nambucca Guardian News
Nambucca Heads: Hibiscus Happynings
Narooma News
Narromine News
Newcastle Star
News of the Area
Newsweekly
North Coast SeniorLifestyle
North Coast Town + Country Magazine
Northern Daily Leader
Nowra: Shoalhaven + Nowra News
Nowra: South Coast Register
Nyngan Observer

Publications and Websites

Oberon Review
Orange Central Western Daily
Orange Midstate Observer
Parkes Champion Post
Port Macquarie Express
Port Macquarie News
Port Macquarie: Hastings Happenings
Queanbeyan Age
Sapphire Coaster
Scone Advocate
Shoalhaven and Nowra News
Singleton Argus
Snowy Times
South Coast Register
South Coast Senior Lifestyle
South Coast Weekly
South East Town + Country
Southern Weekly Magazine
Summit Sun
Sussex Inlet Times
Tallaganda Times
Tamworth: Northern Daily Leader
Tamworth Times
Taree: Manning Great Lakes Extra
Taree: Manning River Times
Tea Gardens/Hawks Nest: NOTA
Tenterfield Star
The Magnet
The Rural
Thornton: Weekend Hunter Star
Town & Country
Ulladulla: Milton Ulladulla Times
Upper Hunter TV Guide
Wauchope: Hastings Gazette
Wagga Wagga: Daily Advertiser
Wagga Wagga: Weekend Advertiser
Wagga Wagga: The Rural
Wagga Wagga: The Riverina Leader
Walcha News
Warren Advocate
Wellington Times
Western Advocate
Western Times
Western Magazine
Wingham Chronicle
Yass Tribune
Young Witness

Regional Publishing (VIC, TAS, SA, WA)

Ararat Advertiser
Ballarat Courier
Ballarat News
Bendigo Advertiser
Bendigo Miner
Colac Extra
Corangamite Extra
Country Mail – Albury/Wodonga
Gippsland Farmer
Gippsland Times
Gippsland Times
Hepburn Shire Advocate
Latrobe Valley Express
Moe & Narracan News
Morwell Press Centre
Stawell Times News
The Border Mail, Albury/Wodonga
The Express – Albury/Wodonga
The Great Southern Tourist News - Victoria
The Moyne Gazette
The Warrnambool Extra
The Warrnambool Standard
Traralgon Journal
Wimmera Mail Times
East Coast & Diary News
Launceston Advertiser
Launceston Examiner
Meander Valley News
Northern Midlands Community News
Sunday Examiner, Tasmania
Tamar Community Times
Tasmanian Independent Publishing
Tasmanian Travelways
Central Coast Times, Burnie
Devonport Times
The Advocate, Burnie
Western Herald, North West Tasmania
Barossa and Light Herald
Eyre Peninsula Tribune, Cleve
Flinders News, SA
Murray Valley Standard
On The Coast, Victor Harbor
Port Lincoln Times
Roxby Downs Sun
The Islander, Kangaroo Island
The Northern Argus, Clare Valley
The Recorder, Port Pirie
The Transcontinental, Port Augusta
Victor Harbor Times
West Coast Sentinel, Ceduna
Whyalla News
Augusta Margaret River Mail
Avon Advocate, Northam
Bunbury Mail
Busselton-Dunsborough Mail
Central Districts Advocate, Northam
Collie Mail
Donnybrook Bridgetown Mail
Esperance Express
Golden Mail, Kalgoorlie
Harvey Mail
Mandurah Mail
Merredin-Wheatbelt Mercury
Murray Mail
Senior Post, WA
The Wagin Argus
Xpress Magazine, WA

Agricultural and Queensland Regional Publishing

National
Australasian Flowers
Australian Cotton Outlook
Australian Dairyfarmer
Australian Farm Journal
Australian Horticulture
Australian Landcare
Australian Nursery Manager
Country Music Capital News
Dairy Info. Guide
Directory of Australian Country Music
Flower Register
Good Fruit + Vegetables
Horse Deals
Hortguide
Irrigation and Water Resources
Lotfeeding
National GrapeGrowers and Vignerons
Official Guide to Tamworth Country Music Festival
Turfcraft

New South Wales
Farm Equipment Trader
Farming Small Areas
NSW Ag Today
The Land

Queensland
North Queensland Register
Queensland Country Life
Queensland Grains Outlook
Queensland Smart Farmer

South Australia
Smart Farmer
Stock Journal
The Grower

Victoria
Stock and Land

Western Australia
Farm Weekly
Ripe

Field Days and Events
Commonwealth Bank Ag-Quip
Elders FarmFest
Farming Small Areas Expo
Murrumbidgee Farm Fair
Northern and Southern Beef Weeks
NSW Beef Spectacular
Star Maker Quest
Tamworth Country Music Festival

New Zealand Agricultural Publishing
Ag Trader
Lifestyle Farmer
Straight Furrow
The Dairyman

Field Days
Central District Field Days

Queensland/NT Regional Publishing
The Bayside Bulletin
Goondiwindi Argus
Katherine Times
Mt Isa Print
Northwest Country
The Northwest Star
The Redlands Directory
The Redland Times

Publications and Websites

USA Agricultural Publications
American Agriculturist
Californian Farmer
Carolina-Virginia Farmer
Dakota Farmer
Direct-fed Microbila, Enzyme + Forage Additive Compendium
The Farmer
The Farmer-Stockman
Feedstuffs
Feed Additive Compendium Annual
Feedstuffs Reference Issue
Farm Futures
Indiana Prairie Farmer
Kansas Farmer
Michigan Farmer
Mid-South Farmer
Missouri Ruralist
Nebraska Farmer
Ohio Farmer
Prairie Farmer
Southern Farmer
Tack 'n' Togs
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Western Farmer-Stockman
Wisconsin Agriculturist

Farm Shows
Farm Progress Show
Hay Expo
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Online

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Data

AssetLink
Connect4
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Education

Financial Essentials

Asia Publications

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Computerworld Singapore
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Asia On-line

www.mis-asia.com

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5CC & Magic FM Port Lincoln
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FCN NSW

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NEW ZEALAND PUBLISHING

Metropolitan Newspapers

The Dominion Post
The Christchurch Press
Waikato Times

Regional Newspapers

Manawatu Standard
Taranaki Daily News
The Marlborough Express
The Nelson Mail
The Southland Times
The Timaru Herald

National Newspapers

The Independent
Sunday Star-Times
Sunday News
Turf Digest, Best Bets

Magazines

Avenues
Boating New Zealand
Cuisine
Fish & Game New Zealand
New Zealand Fishing News
New Zealand Gardener
New Zealand Growing Today
New Zealand Horse & Pony
New Zealand Trucking
NZ Autocar
NZ House & Garden
NZ Life & Leisure
Sunday (host Sunday Star-Times)
The Cut
The TV Guide
World
Your Weekend

Community Newspapers

Auckland & Northland Community Newspapers
Auckland City Harbour News
Central Leader
Dargaville & Districts News
East & Bays Courier
Eastern Courier
Look North
Manukau Courier
North Harbour News
North Shore Times
Northern News
Nor-West News
Papakura Courier
Rodney Times
The Bay Chronicle
Waiheke MarketPlace
Western Leader
Whangarei Leader

Waikato/Bay of Plenty/Hawke's Bay Community Newspapers
Cambridge Edition
Franklin County News
Hamilton Press
Hauraki Herald
HB Country Scene
Matamata Chronicle
North Waikato News
Piako Post
Rotorua Review
Ruapehu Press
South Waikato News
Taupo Times
The Hastings Mail
The Napier Mail
Urban & Country

Taranaki/Manawatu Community Newspapers
Central District Times
Central Districts Farmer
Feilding Herald
North Taranaki Midweek
Rangitikei Mail
South Taranaki Star
The Tribune

Publications and Websites

<u>Wellington Community Newspapers</u>
Horowhenua Mail
Kapi-Mana News
Kapiti Observer
The Hutt News
The Wellingtonian
Upper Hutt Leader
Wairarapa News
The New Zealander (International)

<u>South Island Community Newspapers</u>
Central Canterbury News
Clutha Leader
D-Scene
High Country Herald
Kaikoura Star
Motueka-Golden Bay News
Newslink
Otago Southland Farmer
Mid Canterbury Herald
Taieri Herald
The Christchurch Mail
The Invercargill Eye
The Leader – Nelson City Leader
The Leader – Richmond & Waimea Leader
The Marlborough Midweek
The Mirror
The Northern Outlook
The Saturday Express
Waitaki Herald

New Zealand Business Media

<u>Magazines</u>
CIO
Computerworld
NZ Gear Guide
NZ PCWorld
Resellernews
MIS100

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www.cio.co.nz
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