HALF YEAR RESULTS

SYDNEY, **21 February 2013:** Fairfax Media Limited [ASX:FXJ] today announced the half year results for the half year ended 30 December 2012.

Attached are the following documents relating to the Fairfax Media Limited financial accounts for the half year ended 30 December 2012:

1. Appendix 4D
2. H1 FY13 Results Announcement
3. H1 FY13 Results Investor Pack

In order to fully understand the results we recommend that investors read all of these documents together.

– ENDS –

Contacts:

David Housego
Chief Financial Officer
+61 2 9282 3555

Brad Hatch
Manager of Communications
+61 2 9282 2168

Appendix 4D and Half Year Financial Report

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

The half year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3 and should be read in conjunction with the 2012 annual financial report.

Results for Announcement to the Market

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

Reported				
Total revenue	down	7.1%	to	$1,096.2m
Net profit for the period attributable to members	up	299.7%	to	$386.3m

DIVIDENDS

	Amount per security	Franked amount per security
30 December 2012		
Interim dividend	1.0¢	1.0¢
Record date for determining entitlements to the interim dividend	6 March 2013	
25 December 2011		
Interim dividend	2.0¢	2.0¢
Record date for determining entitlements to the interim dividend	7 March 2012	

NET TANGIBLE ASSETS PER SHARE

	30 December 2012 $	25 December 2011 $
Net tangible asset backing per ordinary share	**0.16**	(0.19)
Net asset backing per ordinary share	**0.95**	2.01

Results for Announcement to the Market

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

Trading Performance

		As reported		Significant items (iv)		Trading performance excluding significant items	
		30 Dec 2012 6 months	25 Dec 2011 6 months Restated (iii)	30 Dec 2012 6 months	25 Dec 2011 6 months Restated (iii)	30 Dec 2012 6 months	25 Dec 2011 6 months Restated (iii)
	Note	$'000	$'000	$'000	$'000	$'000	$'000
Total revenue	(i)	1,096,223	1,179,866	19,809	-	1,076,414	1,179,866
Associate profits		1,511	1,104	-	-	1,511	1,104
Expenses		(892,406)	(972,805)	-	(47,502)	(892,406)	(925,303)
Operating EBITDA		205,328	208,165	19,809	(47,502)	185,519	255,667
Depreciation and amortisation		(51,029)	(52,804)	-	-	(51,029)	(52,804)
EBIT		154,299	155,361	19,809	(47,502)	134,490	202,863
Net interest expense	(ii)	(35,532)	(59,271)	-	-	(35,532)	(59,271)
Net profit before tax		118,767	96,090	19,809	(47,502)	98,958	143,592
Tax (expense)/benefit		(29,311)	(26,919)	-	8,468	(29,311)	(35,387)
Net profit after tax from continuing operations		89,456	69,171	19,809	(39,034)	69,647	108,205
Net profit after tax from discontinued operations	(iii)	311,924	28,409	283,487	-	28,437	28,409
Net profit after tax		401,380	97,580	303,296	(39,034)	98,084	136,614
Net profit attributable to non-controlling interest		(15,031)	(924)	-	-	(15,031)	(924)
Net profit attributable to members of the Company		386,349	96,656	303,296	(39,034)	83,053	135,690
Earnings per share (cents)		16.4	4.1			3.5	5.8

Notes:

(i) Revenue from ordinary activities excluding interest income and trading results of discontinued operations.

(ii) Finance costs less interest income.

(iii) The remaining 51% of Trade Me Group Ltd was disposed of on 21 December 2012 and classified as a discontinued operation. The "As reported" net profit after tax from discontinued operations includes both trading results of this business up to the date of disposal and the profit on disposal. Certain numbers shown here do not correspond to the 2012 half year financial statements and reflect adjustments due to discontinued operations as detailed in Note 10.

(iv) Significant items are those items of such a nature or size that separate disclosure will assist users to understand the accounts.

Directors' Report

Fairfax Media Limited and Controlled Entities

The Board of Directors presents its report on the consolidated entity of Fairfax Media Limited (the Company) and the entities it controlled at the end of, or during, the period ended 30 December 2012.

Directors

The directors of the Company at any time during the period ended 30 December 2012 or up to the date of this report are as follows. Directors held office for the entire period unless otherwise stated.

ROGER CORBETT, AO
Non-Executive Chairman

GREGORY HYWOOD
Chief Executive Officer and Managing Director

MICHAEL ANDERSON
Non-Executive Director

JACK COWIN
Non-Executive Director
Appointed 19 July 2012

JAMES MILLAR, AM
Non-Executive Director
Appointed 1 July 2012

SANDRA MCPHEE, AO
Non-Executive Director

SAM MORGAN
Non-Executive Director

LINDA NICHOLLS, AO
Non-Executive Director

ROBERT SAVAGE, AM
Non-Executive Director
Resigned 30 June 2012

PETER YOUNG, AM
Non-Executive Director

Review of operations

The key highlights of the trading results of the Company for the period ended 30 December 2012 as compared to the corresponding period are:

- Net profit after significant items and tax of $401.4 million.
- Earnings per share of 16.4 cents.
- Revenue of $1.1 billion was down 7.1% from the prior corresponding period.
- EBITDA reduced 1.4% to $205.3 million.
- Significant items totalling $303.3 million profit after tax.
- Net debt reduced by $716.9 million to $197.2 million.
- Interim dividend decreased to 1 cent per share, fully franked.

In the Metropolitan Media business, the print business continued to be profitable and circulation revenue was up strongly. There was continued investment in the development of digital businesses and digital delivery of journalism and content. Market-leading businesses, such as Stayz and Domain, had strong growth performance.

In the Regional and Agricultural business, performance was affected by weakness in government spending, employment and real estate advertising. There was a focus on cost reduction in the period with the benefits expected to be seen in the second half and beyond.

The New Zealand trading environment continued to be typified by soft print advertising with some signs of improvement in property advertising activity. Cost were tightly managed and a focus on subscriptions assisted to stabilise circulation revenue.

Broadcasting achieved the improvement expected under new management, delivering like-for-like advertising revenue growth. The focus will now be on broadening the product and audience for all news talk stations, driving greater collaboration across the radio network and increased integration with other Fairfax Media businesses.

Review of operations (continued)
The Fairfax of the Future initiatives are tracking ahead of previously targeted expectations. Structural change and cost savings from the program have contributed $40 million to EBITDA in the period and the program is on track to deliver annualised run-rate savings of $169 million by June 2013 and $251 million by June 2015.

Significant changes in the state of affairs
Significant changes in the state of affairs of the Company during the period were as follows:
- On 23 December 2011, the Company announced that it had entered into an agreement to merge Fairfax Community Network Limited in Victoria with Metro Media Publishing Pty Ltd. The merger was completed on 13 July 2012 and resulted in the Company holding a 50.01% interest in MMP Holdings Pty Ltd.
- The Company disposed of its US Agricultural Media business for US$79.9 million on 14 November 2012.
- On 21 December 2012, the Company disposed of its remaining 51% interest in Trade Me Group Ltd for A$605.5 million net of transaction fees.

Dividends
An interim franked dividend of 1.0 cent (2012: 2.0 cents franked) has been declared by the Board. Record date for the interim dividend is 6 March 2013 and the dividend will be payable on 20 March 2013.

Rounding of amounts
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 and financial report. Amounts in the directors' report and the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of the directors of Fairfax Media Limited.

Roger Corbett, AO
Chairman

Gregory Hywood
Chief Executive Officer and Managing Director

Sydney
21 February 2013

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

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

In relation to our review of the financial report of Fairfax Media Limited for the half-year ended 30 December 2012, 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

Ernst & Young

Douglas Bain

Douglas Bain
Partner
Sydney
21 February 2013

Consolidated Income Statement

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

	Note	30 December 2012 $'000	25 December 2011 Restated * $'000
Continuing operations			
Revenue from operations	2(A)	**1,074,945**	1,174,119
Other revenue and income	2(B)	**23,836**	8,722
Total revenue and income		**1,098,781**	1,182,841
Share of net profits of associates and joint ventures		**1,511**	1,104
Expenses from operations excluding impairment, depreciation, amortisation and finance costs	3(A)	**(882,918)**	(939,712)
Impairment of intangibles, plant and equipment		**(9,488)**	(33,093)
Depreciation and amortisation	3(B)	**(51,029)**	(52,804)
Finance costs	3(C)	**(38,090)**	(62,246)
Net profit from continuing operations before income tax expense		**118,767**	96,090
Income tax expense		**(29,311)**	(26,919)
Net profit from continuing operations after income tax expense		**89,456**	69,171
Discontinued operations			
Net profit from discontinued operations after income tax expense	10	**311,924**	28,409
Net profit after income tax expense		**401,380**	97,580
Net profit is attributable to:			
Non-controlling interest		**15,031**	924
Owners of the parent		**386,349**	96,656
		401,380	97,580
Earnings per share (cents per share)			
Basic earnings per share (cents per share)	14	**16.4**	4.1
Diluted earnings per share (cents per share)	14	**16.4**	4.1
Earnings per share from continuing operations (cents per share)			
Basic earnings per share (cents per share)	14	**3.8**	2.9
Diluted earnings per share (cents per share)	14	**3.8**	2.9

* Certain numbers shown here do not correspond to the 2012 half year financial statements and reflect adjustments due to discontinued operations as detailed in Note 10.

The above Consolidated Income Statement should be read in conjunction with the notes to the half year financial statements.

Consolidated Statement of Comprehensive Income

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

	30 December 2012 $'000	25 December 2011 $'000
Net profit after income tax expense	**401,380**	97,580
Other comprehensive income		
Changes in fair value of available for sale financial assets	**(297)**	(383)
Actuarial gain/(loss) on defined benefit plans	**1,210**	(1,728)
Changes in fair value of cash flow hedges	**(300)**	(9,236)
Changes in value of net investment hedges	**(1,389)**	3,481
Exchange differences on translation of foreign operations	**6,562**	(24,861)
Income tax on items of other comprehensive income	**155**	2,237
Other comprehensive income for the period, net of tax	**5,941**	(30,490)
Total comprehensive income for the period	**407,321**	67,090
Total comprehensive income is attributable to:		
Non-controlling interest	**15,031**	924
Owners of the parent	**392,290**	66,166
	407,321	67,090

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the half year financial statements.

Consolidated Balance Sheet

Fairfax Media Limited and Controlled Entities
as at 30 December 2012

	Note	30 December 2012 $'000	24 June 2012 $'000
Current assets			
Cash and cash equivalents		**477,603**	358,364
Trade and other receivables		**332,973**	334,466
Inventories		**36,611**	36,622
Assets held for sale		**3,301**	25,674
Derivative assets		**-**	123
Income tax receivable		**23,786**	2,592
Other financial assets		**4,136**	3,914
Total current assets		**878,410**	761,755
Non-current assets			
Receivables		**2,724**	2,479
Investments accounted for using the equity method	6	**83,818**	30,811
Available for sale investments		**1,694**	1,991
Intangible assets	7	**1,854,866**	2,502,045
Property, plant and equipment		**512,824**	547,004
Derivative assets		**23,457**	27,040
Deferred tax assets		**102,016**	122,530
Pension assets		**519**	149
Other financial assets		**8,559**	10,768
Total non-current assets		**2,590,477**	3,244,817
Total assets		**3,468,887**	4,006,572
Current liabilities			
Payables		**256,145**	282,637
Interest bearing liabilities	8	**6,318**	6,439
Derivative liabilities		**25**	-
Liabilities directly associated with held for sale assets		**-**	4,956
Provisions		**137,481**	193,887
Current tax liabilities		**1,231**	10,680
Total current liabilities		**401,200**	498,599
Non-current liabilities			
Interest bearing liabilities	8	**584,265**	1,200,934
Derivative liabilities		**114,260**	95,628
Deferred tax liabilities		**6,628**	15,225
Provisions		**130,806**	149,305
Pension liabilities		**3,046**	3,933
Other non-current liabilities		**-**	271
Total non-current liabilities		**839,005**	1,465,296
Total liabilities		**1,240,205**	1,963,895
Net assets		**2,228,682**	2,042,677
Equity			
Contributed equity	9	**4,646,248**	4,646,248
Reserves		**22,667**	(45,520)
Retained profits		**(2,441,882)**	(2,805,566)
Total parent entity interest		**2,227,033**	1,795,162
Non-controlling interest		**1,649**	247,515
Total equity		**2,228,682**	2,042,677

The above Consolidated Balance Sheet should be read in conjunction with the notes to the half year financial statements.

Consolidated Cash Flow Statement

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

	Note	30 December 2012 $'000	25 December 2011 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**1,254,329**	1,361,278
Payments to suppliers and employees (inclusive of GST)		**(1,032,969)**	(1,062,776)
Redundancy payments		**(69,032)**	(27,179)
Interest received		**2,639**	2,184
Dividends and distributions received		**1,293**	1,288
Finance costs paid		**(35,678)**	(63,873)
Net income taxes paid		**(51,216)**	(79,489)
Net cash inflow from operating activities		**69,366**	131,433
Cash flows from investing activities			
Payment for purchase of controlled entities, associates and joint ventures (net of cash acquired)		**(54,077)**	(3,050)
Payment for purchase of businesses, including mastheads		**(10,048)**	(1,193)
Payment for property, plant and equipment and software		**(17,875)**	(21,527)
Proceeds from sale of property, plant and equipment		**373**	3,070
Proceeds from sale of investments, net of transaction fees and cash disposed *		**642,003**	18,286
Loans repaid by other parties		**2,396**	2,362
Net cash inflow/(outflow) from investing activities		**562,772**	(2,052)
Cash flows from financing activities			
Payment for purchase of non-controlling interests in subsidiaries		**(2,999)**	-
Proceeds from disposal of non-controlling interest in subsidiary, net of transaction fees **		**-**	264,311
Proceeds from borrowings and other financial liabilities		**-**	181,270
Repayment of borrowings and other financial liabilities		**(471,453)**	(193,267)
Dividends paid to shareholders	5	**(23,520)**	(35,279)
Dividends paid to non-controlling interests in subsidiaries		**(14,145)**	(142)
Net cash (outflow)/inflow from financing activities		**(512,117)**	216,893
Net increase in cash and cash equivalents held		**120,021**	346,274
Cash and cash equivalents at beginning of the year		**358,364**	207,137
Effect of exchange rate changes on cash and cash equivalents		**(782)**	1,821
Cash and cash equivalents at end of the financial period		**477,603**	555,232

* The proceeds relate to the disposal of the remaining 51% interest in Trade Me Group Ltd on 21 December 2012 and the disposal of the US Agricultural Media business on 14 November 2012.

** The proceeds relate to the disposal of 34% of Trade Me Group Ltd on 13 December 2011.

The above Consolidated Cash Flow Statement should be read in conjunction with the notes to the half year financial statements.

Consolidated Statement of Changes in Equity

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

		Reserves										
	Contributed equity $'000	Asset revaluation reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Cashflow hedge reserve $'000	Net investment hedge reserve $'000	Share-based payment reserve $'000	General reserve $'000	Total reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 24 June 2012	4,646,248	(259)	177,759	(219,528)	(7,088)	2,669	7,764	(6,837)	(45,520)	(2,805,566)	247,515	2,042,677
Profit for the period	-	-	-	-	-	-	-	-	-	386,349	15,031	401,380
Other comprehensive income	-	(297)	-	6,559	(204)	(972)	-	-	5,086	855	-	5,941
Total comprehensive income for the period	-	(297)	-	6,559	(204)	(972)	-	-	5,086	387,204	15,031	407,321
Transactions with owners in their capacity as owners:												
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(23,520)	-	(23,520)
Dividends paid to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(13,805)	(13,805)
Disposal of subsidiaries, net of tax *	-	-	-	58,876	-	-	(495)	-	58,381	-	(240,798)	(182,417)
Disposal of non-controlling interest in subsidiary	-	-	6,294	-	-	-	-	-	6,294	-	(6,294)	-
Acquisition of non-controlling interest	-	-	(3,004)	-	-	-	-	-	(3,004)	-	-	(3,004)
Share-based payments, net of tax	-	-	-	-	-	-	1,430	-	1,430	-	-	1,430
Total transactions with owners	-	-	3,290	58,876	-	-	935	-	63,101	(23,520)	(260,897)	(221,316)
Balance at 30 December 2012	4,646,248	(556)	181,049	(154,093)	(7,292)	1,697	8,699	(6,837)	22,667	(2,441,882)	1,649	2,228,682

* This relates to the disposal of the remaining 51% interest in Trade Me Group Ltd on 21 December 2012 and the disposal of the US Agricultural Media business on 14 November 2012. The Trade Me business has been classified as a discontinued operation. Refer to Note 10 for additional disclosures in relation to its disposal.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the half year financial statements.

Consolidated Statement of Changes in Equity

Fairfax Media Limited and Controlled Entities
for the period ended 25 December 2011

		Reserves										
	Contributed equity $'000	Asset revaluation reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Cashflow hedge reserve $'000	Net investment hedge reserve $'000	Share-based payment reserve $'000	General reserve $'000	Total reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 27 June 2011	4,646,248	506	563	(233,884)	1,220	5,167	6,971	(6,837)	(226,294)	11,764	6,990	4,438,708
Profit for the period	-	-	-	-	-	-	-	-	-	96,656	924	97,580
Other comprehensive income	-	(393)	-	(24,857)	(6,458)	2,437	-		(29,271)	(1,219)	-	(30,490)
Total comprehensive income for the period	-	(393)	-	(24,857)	(6,458)	2,437	-	-	(29,271)	95,437	924	67,090
Transactions with owners in their capacity as owners:												
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(35,279)	-	(35,279)
Dividends paid to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(142)	(142)
Disposal of non-controlling interest in subsidiary *	-	-	107,576	-	-	-	-	-	107,576	-	156,889	264,465
Share based payments, net of tax	-	-	-	-	-	-	925	-	925	-	-	925
Total transactions with owners	-	-	107,576	-	-	-	925	-	108,501	(35,279)	156,747	229,969
Balance at 25 December 2011	4,646,248	113	108,139	(258,741)	(5,238)	7,604	7,896	(6,837)	(147,064)	71,922	164,661	4,735,767

* This relates to the disposal of 34% of Trade Me Group Ltd on 13 December 2011.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the half year financial statements.

Notes to the Financial Statements

Fairfax Media Limited and Controlled Entities
for the period ended 30 December 2012

1. Summary of significant accounting policies

(A) BASIS OF PREPARATION

This general purpose financial report for the interim half year reporting period ended 30 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* .

The interim financial report does not include all notes of the type normally included within the annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Fairfax Media Limited for the period ended 24 June 2012 and any public announcements made by Fairfax Media Limited and its controlled entities (the Group) during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* .

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period These policies have been consistently applied to all of the periods presented.

This interim financial report is for the 27 weeks from 25 June 2012 to 30 December 2012 (2012: the 26 weeks from 27 June 2011 to 25 December 2011). Reference in this report to 'period' is to the period 25 June 2012 to 30 December 2012 (2012: 27 June 2011 to 25 December 2011), unless otherwise stated. In the current financial year, Fairfax Media Limited will report its half year and annual results on a 27 week and 53 week basis respectively.

(B) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the interim financial report, the significant judgements made by the Group in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the annual period ended 24 June 2012.

(C) NEW ACCOUNTING STANDARDS AND AASB INTERPRETATIONS

The Group's view on the application of new accounting standards and amendments which are not yet effective for the interim 30 December 2012 reporting period were the same as those in the consolidated financial report as at and for the annual period ended 24 June 2012.

(D) ROUNDING OF AMOUNTS

The Group is of a kind referred to in Class Order 98/100, 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 the financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

	30 December 2012 $'000	25 December 2011 Restated * $'000

2. Revenues

(A) REVENUE FROM OPERATIONS

	30 December 2012 $'000	25 December 2011 Restated * $'000
Total revenue from sale of goods	**245,935**	230,559
Total revenue from services	**829,010**	943,560
Total revenue from operations	**1,074,945**	1,174,119

(B) OTHER REVENUE AND INCOME

	30 December 2012 $'000	25 December 2011 Restated * $'000
Interest income	**2,558**	2,975
Dividend revenue	**54**	44
Gains on sale of property, plant and equipment	**630**	91
Gains on sale of controlled entities	**19,809**	-
Other	**785**	5,612
Total other revenue and income	**23,836**	8,722
Total revenue and income	**1,098,781**	1,182,841

* Certain numbers shown here do not correspond to the 2012 half year financial statements and reflect adjustments due to discontinued operations as detailed in Note 10.

	30 December 2012 $'000	25 December 2011 Restated * $'000

3. Expenses

	30 December 2012 $'000	25 December 2011 Restated * $'000
(A) EXPENSES EXCLUDING IMPAIRMENT, DEPRECIATION, AMORTISATION AND FINANCE COSTS		
Staff costs excluding staff redundancy costs	**416,173**	430,364
Redundancy costs	**486**	14,405
Newsprint and paper	**89,053**	113,968
Distribution costs **	**77,689**	69,261
Production costs	**84,005**	95,846
Promotion and advertising costs	**55,746**	60,790
Rent and outgoings	**30,390**	29,883
Repairs and maintenance	**14,067**	14,794
Communication costs	**10,598**	11,274
Maintenance and other computer costs	**12,559**	12,638
Fringe benefits tax, travel and entertainment	**15,938**	13,239
Other	**76,214**	73,250
Total expenses excluding impairment, depreciation, amortisation and finance costs	**882,918**	939,712
(B) DEPRECIATION AND AMORTISATION		
Depreciation of freehold buildings	**2,612**	2,553
Depreciation of plant and equipment	**31,200**	33,604
Amortisation of leasehold buildings	**1,940**	2,253
Amortisation of tradenames	**15**	15
Amortisation of software	**14,202**	13,017
Amortisation of customer relationships	**1,060**	1,362
Total depreciation and amortisation	**51,029**	52,804
(C) FINANCE COSTS		
External parties	**33,048**	62,819
Finance lease	**2,196**	1,784
Hedge ineffectiveness	**2,846**	(2,357)
Total finance costs	**38,090**	62,246

* Certain numbers shown here do not correspond to the 2012 half year financial statements and reflect adjustments due to discontinued operations as detailed in Note 10.

** In the prior year, fees payable for home delivery were netted against revenue. Following a change in contractual terms, the fees have been disclosed in distribution costs in the current year.

4. Significant items

The net profit after tax from operations includes the following items whose disclosure is relevant in explaining the financial performance of the consolidated entity.

	30 December 2012 $'000	25 December 2011 $'000
Restructuring and redundancy - Comprising:		
Restructuring and redundancy charges	-	(14,409)
Income tax benefit	-	4,315
Restructuring and redundancy, net of tax	-	(10,094)
Impairment of intangibles, plant and equipment - Comprising:		
Impairment of mastheads	-	(22,278)
Impairment of plant and equipment	-	(10,815)
Income tax benefit	-	4,153
Impairment of intangibles, plant and equipment, net of tax	-	(28,940)
Gains on sale of controlled entities * - Comprising:		
Gain on sale of US Agricultural Media business disclosed in other revenue and income	**19,809**	-
Gain on sale of Trade Me business disclosed in net profit from discontinued operations	**283,487**	-
Income tax expense	-	-
Gains on sale of controlled entities, net of tax	**303,296**	-
Net significant items after income tax	**303,296**	(39,034)

* On 21 December 2012, the Group disposed of its remaining 51% interest in Trade Me Group Ltd for proceeds of A$605.5 million net of transaction fees. On 14 November 2012, the Group disposed of the US Agricultural Media business for US$79.9 million.

5. Dividends paid and proposed

	30 December 2012 $'000	25 December 2011 $'000
ORDINARY SHARES		
Final dividend:		
2013: 1.0 cent - paid 21 September 2012 (fully franked)	**23,520**	-
2012: 1.5 cents - paid 27 September 2011 (fully franked)	**-**	35,279
Total dividends paid	**23,520**	35,279

DIVIDENDS PROPOSED AND NOT RECOGNISED AS A LIABILITY

Since 30 December 2012, the directors have declared a fully franked interim dividend of 1.0 cent per fully paid ordinary share. The aggregate amount of the interim dividend to be paid on 20 March 2013 out of the retained profits at 30 December 2012, but not recognised as a liability at the end of the period is expected to be $23.5 million.

	Note	30 December 2012 $'000	24 June 2012 $'000

6. Investments accounted for using the equity method

	Note	30 December 2012 $'000	24 June 2012 $'000
Shares in associates	(A)	**65,398**	12,671
Shares in joint ventures	(B)	**18,420**	18,140
Total investments accounted for using the equity method		**83,818**	30,811

(A) INTERESTS IN ASSOCIATES

Name of Company	Principal Activity	Place of Incorporation	Ownership interest Dec 2012	Ownership interest Dec 2011
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%
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%	11.3%
Earth Hour Limited	Environmental promotion	Australia	33.3%	33.3%
Homebush Transmitters Pty Ltd	Rental of a transmission facility	Australia	50.0%	50.0%
MMP Holdings Pty Ltd **	Community newspaper publisher	Australia	50.01%	-
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	24.6%	24.6%
Perth FM Facilities Pty Ltd	Rental of a transmission facility	Australia	33.3%	33.3%
The Video Network Pty Ltd ***	Internet delivered television network	Australia	28.6%	-
Times Newspapers Limited	Newspaper publishing	New Zealand	49.9%	49.9%
XchangeIT Newsagents Pty Ltd	Provider of EDI software	Australia	25.0%	25.0%
XchangeIT Software Pty Ltd	Provider of EDI software	Australia	33.3%	33.3%

* The business assets of Autobase were acquired by the Group on 30 April 2012. This entity was then placed into liquidation on 1 May 2012.

** The Group does not have control of this company as it does not have power to govern the financial and operating policies of the company, such as power over budget, operational plans and appointment and removal of key personnel. The investment has been classified as an associate, rather than a joint venture, as all significant decisions do not require unanimous consent.

*** Investment was acquired on 21 December 2012.

Share of associates' profits

	30 December 2012 $'000	25 December 2011 $'000
Revenue	**37,365**	21,370
Profit/(loss) before income tax expense	**158**	(280)
Income tax (expense)/benefit	**(131)**	68
Net profit/(loss) after income tax	**27**	(212)

6. Investments accounted for using the equity method (continued)

(B) INTERESTS IN JOINT VENTURES

Name of Company	Principal Activity	Place of Incorporation	Ownership interest Dec 2012	Ownership interest Dec 2011
Dog Lovers Show Pty Limited *	Organisation of canine industry exhibitions	Australia	50.0%	-
Farm Progress/VX LLC **	Organisation of agricultural events	USA	-	50.0%
Fermax Distribution Company Pty Ltd	Letterbox distribution of newspapers	Australia	50.0%	50.0%
Gilgandra Newspapers Pty Ltd	Newspaper publishing and printing	Australia	50.0%	50.0%
Gippsland Regional Publications Partnership	Newspaper publishing and printing	Australia	50.0%	50.0%
Torch Publishing Company Pty Ltd	Newspaper publishing and printing	Australia	50.0%	50.0%

* Company was incorporated and investment was acquired on 12 June 2012.

** Investment was disposed as part of the US Agricultural Media business sale on 14 November 2012.

Share of joint ventures' profits

	30 December 2012 $'000	25 December 2011 $'000
Revenues	**5,820**	5,795
Expenses	**(4,248)**	(4,370)
Profit before income tax expense	**1,572**	1,425
Income tax expense	**(88)**	(109)
Net profit after income tax	**1,484**	1,316

	30 December 2012 $'000	24 June 2012 $'000

7. Intangible assets

Mastheads and tradenames	**1,236,621**	1,286,843
Software	**61,312**	76,006
Customer relationships	**7,795**	8,474
Radio licences	**121,637**	121,637
Goodwill	**427,501**	1,009,085
Total intangible assets	**1,854,866**	2,502,045

The movement in intangibles during the period is due to the sale of controlled entities (Note 4), acquisitions from business combinations (Note 13), amortisation and exchange differences on translation of foreign operations.

Impairment of goodwill and intangibles with indefinite useful lives

The Group tests annually whether goodwill and intangible assets with indefinite useful lives are impaired. Each interim reporting period, the Group assesses whether there are any indicators of impairment. In reviewing for such indicators, each of the key assumptions subject to significant accounting judgement, including growth rates, discount rates relevant to individual cash generating unit (CGU) groups and the growth rates beyond year three cash flows which form the basis of the terminal value, are challenged in light of current circumstances.

	Note	30 December 2012 $'000	24 June 2012 $'000

8. Interest bearing liabilities

	Note	30 December 2012 $'000	24 June 2012 $'000
Current interest bearing liabilities - unsecured			
Other loans	(D)	**2,036**	2,308
Finance lease liability	(D)	**4,282**	4,131
Total current interest bearing liabilities		**6,318**	6,439
Non-current interest bearing liabilities - unsecured			
Bank borrowings	(B)	**123,172**	718,177
Other loans			
Senior notes	(C)	**447,845**	466,302
Other	(D)	**4,974**	6,003
Finance lease liability	(D)	**8,274**	10,452
Total non-current interest bearing liabilities		**584,265**	1,200,934

Net debt for financial covenant purposes

	30 December 2012 $'000	24 June 2012 $'000
Cash and cash equivalents	**(477,603)**	(358,364)
Current interest bearing liabilities	**6,318**	6,439
Non-current interest bearing liabilities	**584,265**	1,200,934
Derivative financial instruments liabilities *	**84,249**	65,089
Net debt for financial covenant purposes	**197,229**	914,098

* Debt hedging instruments are 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 $197.2 million as at 30 December 2012 (24 June 2012: $914.1 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

Non-current

A $733.1 million syndicated bank facility is available to the Group comprising maturities ranging from April 2014 to April 2015. At 30 December 2012, $125.0 million was drawn down (24 June 2012: $590.0 million). The interest rate for drawings under this facility is the applicable bank bill rate plus a credit margin.

8. Interest bearing liabilities (continued)

(C) SENIOR NOTES

The Group issued Senior Notes in the US private placement market with a principal value of US$230 million (A$289.8 million) in January 2004 with a fixed coupon of between 4.7% p.a. and 5.9% 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 2014 to January 2019. In January 2011 Senior Notes of US$50 million were repaid. The weighted average maturity of the issue is approximately 3.5 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 principal value of US$250 million (A$308.2 million) in July 2007 comprising maturities ranging from July 2014 to July 2017. The weighted average maturity of this issue is approximately 2.7 years. The issued notes include fixed and floating rate coupon notes, paying a weighted average coupon of 6.9% p.a. semi-annually in arrears. The interest and principal 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 1.0% p.a. step up margin is payable on the coupons, effective from 10 July 2009.

(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 30 September 2015. This comprises a finance lease of $12.6 million (24 June 2012: $14.6 million), which was entered into in February 1996, and principal and interest outstanding of $7.0 million (24 June 2012: $8.3 million) in the form of a fixed rate loan with an established repayment schedule.

9. Contributed equity

	30 December 2012 $'000	24 June 2012 $'000
Ordinary shares		
2,351,955,725 ordinary shares fully paid (24 June 2012: 2,351,955,725)	**4,667,944**	4,667,944
Unvested Employee Incentive Shares		
11,723,026 unvested employee incentive shares (24 June 2012: 11,723,026)	**(21,696)**	(21,696)
Debentures		
281 debentures fully paid (24 June 2012: 281)	*	*
Total contributed equity	**4,646,248**	4,646,248

* Amount is less than $1000

10. Discontinued operations

On 21 December 2012, the Group disposed of its remaining 51% interest in Trade Me Group Limited for proceeds of $A605.5 million net of transaction fees.

The Trade Me business has its own operating segment within the segment reporting disclosures (refer Note 15).

As at 30 December 2012, the Trade Me business has been classified as a discontinued operation and the results for the period ended 30 December 2012 are presented below:

	30 December 2012 $'000	25 December 2011 $'000
Total revenue and income	**60,871**	52,489
Share of net profits of associates and joint ventures	**-**	228
Expenses	**(21,229)**	(13,612)
Net profit before income tax expense	**39,642**	39,105
Income tax expense	**(11,205)**	(10,696)
Net profit after income tax expense	**28,437**	28,409
Gain on sale of discontinued operations *	**283,487**	-
Net profit from discontinued operations after income tax expense	**311,924**	28,409

* The gain on sale is associated with the disposal of the Group's 51% interest in Trade Me Group Ltd. Previous disposals of the Group's interest in this entity have resulted in a gain on sale of $182.8 million recorded in equity as an acquisition reserve while the Group still retained control.

	30 December 2012 ¢ per share	25 December 2011 ¢ per share
Earnings per share		
Basic earnings per share from discontinued operations	**13.3**	1.2
Diluted earnings per share from discontinued operations	**13.3**	1.2

	30 December 2012 $'000	25 December 2011 $'000
Cash flows of discontinued operations		
The net cash flows incurred by discontinued operations are as follows:		
Operating	**27,010**	20,074
Investing	**(4,020)**	(10,534)
Financing	**(26,894)**	(6,657)
Net cash (outflow)/inflow	**(3,904)**	2,883

11. Commitments and contingencies

There have been no material changes in commitments and contingent liabilities since 24 June 2012.

12. Acquisition and disposal of controlled entities

(A) ACQUISITIONS

The Group gained control over the following entities or businesses during the half year:

Entity or business acquired	Principal activity	Date of Acquisition	Ownership Interest
Beaudesert Times Pty Ltd	Newspaper publisher	27 August 2012	(i)
Tradevine Limited	Online e-commerce management	27 August 2012	(ii)
YesBookit Partnership	Online accommodation advertising	29 October 2012	(iii)
Midac Technologies Pty Ltd	Online accommodation advertising	29 October 2012	(iii)
Baches and Holiday Homes to Rent Limited	Holiday accommodation classifieds	12 December 2012	(ii)
2GTHR Pty Ltd	Investor in online business	21 December 2012	100%
Netus Pty Ltd	Investor in online business	21 December 2012	100%
Allure Media Pty Ltd	Online publisher	21 December 2012	100%

(i) The business of Beaudesert Times Pty Ltd was acquired.

(ii) The business of Tradevine Limited and Baches and Holiday Homes to Rent Limited was acquired by Trade Me Group Ltd. The businesses were subsequently disposed of with Trade Me Group Ltd (refer Note 12(B)).

(iii) The business of YesBookit Partnership and Midac Technologies Pty Ltd was acquired.

(B) DISPOSALS

The Group disposed of its interests in the following businesses during the half year:

Entity or business disposed	Principal activity	Date of Disposal	Ownership Interest
Fairfax Community Network Ltd	Community newspaper publisher	13 July 2012	100% (i)
Rural Press USA Ltd	Agricultural publishing	14 November 2012	100%
Rural Press USA Inc	Agricultural publishing	14 November 2012	100%
Farm Progress Holding Company Inc	Agricultural publishing	14 November 2012	100%
Farm Progress Companies Inc	Agricultural publishing	14 November 2012	100%
The Miller Publishing Company Inc	Agricultural publishing	14 November 2012	100%
Farm Progress Insurance Services Inc	Agricultural publishing	14 November 2012	100%
Indiana Prairie Farmer Insurance Services Inc	Agricultural publishing	14 November 2012	100%
Trade Me Group Ltd	Internet-auction website	21 December 2012	51%
Trade Me Ltd	Internet-auction website	21 December 2012	51%

(i) Fairfax Community Network Ltd was sold to the MMP Holdings Pty Ltd venture. Refer to Note 6 for the Group's share of this venture.

13. Business combinations

Acquisitions, none of which were individually significant to the Group, are listed in Note 12(A).

The fair values of the identifiable assets and liabilities acquired were:

	Recognised on acquisition $'000
Value of net assets acquired	
Cash and cash equivalents	13,159
Receivables	1,364
Inventories	225
Property, plant and equipment	2,572
Deferred tax assets	190
Intangible assets	6,765
Total assets	24,275
Payables	227
Provisions	1,930
Other liabilities	463
Total liabilities	2,620
Value of identifiable net assets	21,655
Goodwill arising on acquisition	13,831
Total identifiable net assets and goodwill attributable to the group	35,486
Purchase consideration	
Cash paid	32,372
Contingent consideration liability	3,114
Total purchase consideration	35,486
Net cash outflow on acquisition	
Net cash acquired with subsidiary	13,159
Cash paid	(32,372)
Net cash outflow	(19,213)

The consolidated income statement includes revenue and net profit for the six month period ended 30 December 2012 of $3.7 million and $0.6 million respectively, as a result of acquisitions of business combinations made during the reporting period. Had the acquisitions occurred at the beginning of the reporting period, the consolidated income statement would have included revenue and net profit of $8.3 million and $0.4 million respectively.

Goodwill of $13.8 million includes synergies expected to be achieved as a result of combining the acquired businesses with the rest of the Group. The acquired workforces and future growth opportunities are also key factors contributing to the goodwill acquired during the reporting period.

Included in the business acquisitions made during the reporting period were mastheads, trademarks, business and domain names.

14. Earnings per share

	30 December 2012 ¢ per share	25 December 2011 ¢ per share
Basic earnings per share		
Net profit attributable to owners of the parent	**16.4**	4.1
Net profit from continuing operations	**3.8**	2.9
Diluted earnings per share		
Net profit attributable to owners of the parent	**16.4**	4.1
Net profit from continuing operations	**3.8**	2.9

	30 December 2012 $'000	25 December 2011 $'000
Earnings reconciliation - basic		
Net profit attributable to owners of the parent	**386,349**	96,656
Net profit from continuing operations	**89,456**	69,171
Earnings reconciliation - diluted		
Net profit attributable to owners of the parent	**386,349**	96,656
Net profit from continuing operations	**89,456**	69,171

	30 December 2012 Number '000	25 December 2011 Number '000
Weighted average number of ordinary shares used in calculating basic EPS	**2,351,956**	2,351,956
Weighted average number of ordinary shares used in calculating diluted EPS	**2,351,956**	2,351,956

15. Segment reporting

(A) DESCRIPTION OF SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors, CEO and CFO in assessing performance and in determining the allocation of resources.

The Group is organised into seven reportable segments based on aggregated operating segments determined by the similarity of products and services provided, economic characteristics and geographical considerations.

On 21 December 2012, the Group disposed of its remaining 51% interest in Trade Me Group Ltd. The Group disposed of the US Agricultural Media business on 14 November 2012. The US Agricultural Media business was part of the Fairfax Regional Media reportable segment.

Reportable Segment	Products and Services
Fairfax Regional Media	Newspaper publishing and online for all Australian regional and agricultural media.
Metropolitan Media	Metropolitan and national news, lifestyle and entertainment media across various platforms including print, online, tablet and mobile. Also includes classifieds for metropolitan and communi publications and transactional businesses.
New Zealand Media	Newspaper, magazine and general publishing and online for all New Zealand media.
Printing Operations	Australian and New Zealand printing operations.
Trade Me (discontinued operations)	Transactional businesses of Trade Me in New Zealand.
Broadcasting	Metropolitan radio networks, regional radio stations and narrowcast licences.
Other	Comprises corporate and Satellite Music Australia.

Although the broadcasting segment does not meet the quantitative thresholds required by AASB 8, management has concluded that disclosure of this segment would be beneficial to users of the financial statements.

(B) RESULTS BY OPERATING SEGMENT

The segment information provided to the Board of Directors, CEO and CFO for the reportable segments for the half year ended 30 December 2012 is as follows:

	Segment revenue $'000	Intersegment revenue $'000	Revenue from external customers $'000	Underlying EBIT $'000
6 months to 30 December 2012				
Fairfax Regional Media	281,376	(1,609)	**279,767**	**72,370**
Metropolitan Media	542,355	(10,443)	**531,912**	**34,880**
New Zealand Media	173,128	(18)	**173,110**	**23,960**
Printing Operations	223,365	(189,787)	**33,578**	**10,988**
Broadcasting	55,063	(110)	**54,953**	**8,910**
Other	(395)	5,000	**4,605**	**(16,618)**
Total for continuing operations	1,274,892	(196,967)	**1,077,925**	**134,490**
Trade Me (discontinued operations)	60,187	-	**60,187**	**41,634**
Total for the Group	1,335,079	(196,967)	**1,138,112**	**176,124**

15. Segment reporting (continued)

	Segment revenue $'000	Intersegment revenue $'000	Revenue from external customers $'000	Underlying EBIT $'000
6 months to 25 December 2011				
Fairfax Regional Media	302,891	(1,133)	**301,758**	**85,785**
Metropolitan Media	610,700	(5,328)	**605,372**	**61,211**
New Zealand Media	177,216	(417)	**176,799**	**27,937**
Printing Operations	253,463	(220,131)	**33,332**	**14,530**
Broadcasting	52,759	-	**52,759**	**8,287**
Other	5,950	5,000	**10,950**	**5,113**
Total for continuing operations	1,402,979	(222,009)	**1,180,970**	**202,863**
Trade Me (discontinued operations)	52,569	-	**52,569**	**38,836**
Total for the Group	1,455,548	(222,009)	**1,233,539**	**241,699**

(C) OTHER SEGMENT INFORMATION

The Board of Directors, CEO and CFO assess the performance of the operating segments based on a measure of underlying EBIT. This measurement basis excludes the effects of significant items from the operating segments such as restructuring costs and goodwill, masthead or radio licence impairments when the impairment is the result of an isolated, significant event. The gains on the sale of Trade Me and the US Agricultural Media business have been excluded from the reportable segment results.

Interest income and expenditure are not allocated to segments, as this type of activity is driven by the centralised treasury function, which manages the cash position of the group.

A reconciliation of underlying EBIT to operating profit before income tax is provided as follows:

	30 December 2012 $'000	25 December 2011 Restated * $'000
Underlying EBIT for continuing operations	**134,490**	202,863
Interest income	**2,558**	2,975
Finance costs	**(38,090)**	(62,246)
Gains on sale of controlled entities in other revenue and income	**19,809**	-
Restructuring and redundancy charges	**-**	(14,409)
Impairment of mastheads	**-**	(22,278)
Impairment of plant and equipment	**-**	(10,815)
Reported net profit before tax	**118,767**	96,090

Information provided to the Board of Directors, CEO and CFO in respect of assets and liabilities is presented on a group basis consistent with the consolidated financial statements.

* Certain numbers shown here do not correspond to the 2012 half year financial statements and reflect adjustments due to discontinued operations as detailed in Note 10.

15. Segment reporting (continued)

For the half year ended 30 December 2012, significant items of $19.8 million from gains on sale of controlled entities is due to the disposal of the US Agricultural Media business. The gain was recorded in the parent entity, Rural Press Pty Limited, which is part of the Other operating segment.

A summary of significant items by operating segments is provided for the half year ended 25 December 2011.

	Restructuring and redundancy charges $'000	Impairment of mastheads $'000	Impairment of plant and equipment $'000	Total $'000
Fairfax Regional Media	1,068	200	-	1,268
Metropolitan Media	373	22,078	-	22,451
New Zealand Media	-	-	-	-
Printing Operations	12,100	-	9,974	22,074
Trade Me	-	-	-	-
Broadcasting	-	-	-	-
Other	868	-	841	1,709
Consolidated entity	14,409	22,278	10,815	47,502

16. Related party transactions

(A) ULTIMATE PARENT

Fairfax Media Limited is the ultimate parent company.

(B) CONTROLLED ENTITIES

For a list of the controlled entities acquired during the period refer to Note 12.

17. Parent entity information

The following disclosures relate to Fairfax Media Limited as an individual entity, being the ultimate parent entity of the Fairfax Media group.

	30 December 2012 $'000	24 June 2012 $'000
Financial position of parent entity		
Current assets	**3,739**	1,764,003
Total assets	**2,120,894**	2,061,419
Current liabilities	**16,891**	18,323
Total liabilities	**17,401**	18,742
Total equity of parent entity		
Contributed equity	**4,646,248**	4,646,248
General reserve	**(722)**	(722)
Acquisition reserve	**(10,672)**	(10,672)
Share-based payment reserve	**8,699**	7,612
Retained profits - prior year	**(2,623,309)**	(296,534)
Retained profits - current year	**83,249**	(2,303,255)
Total equity	**2,103,493**	2,042,677
Result of parent entity		
Profit/(loss) for the period	**83,249**	(2,303,255)
Other comprehensive income	**-**	-
Total comprehensive income for the period	**83,249**	(2,303,255)

18. 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 (the Company), we state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity set out on pages 7 to 30 are in accordance with the *Corporations Act 2001* , including:

- (i) giving a true and fair view of the financial position as at 30 December 2012 and the performance for the half year ended on that date of the consolidated entity; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *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.

On behalf of the Board

Roger Corbett, AO
Chairman

Gregory Hywood
Chief Executive Officer and Managing Director

Sydney
21 February 2013

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

To the members of Fairfax Media Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Fairfax Media Limited (the company), which comprises the balance sheet as at 30 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, other information as set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration of the consolidated entity but excludes the following sections: Results for the Announcement to the Market. The consolidated entity comprises the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act* 2001 and complies with the ASX Listing Rules as they relate to Appendix 4D. The directors are also responsible for such internal controls that the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of Fairfax Media Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with 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. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fairfax Media Limited is not in accordance with:

a. the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 December 2012 and of its performance for the half-year ended on that date; and

   ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

b. the ASX Listing Rules as they relate to Appendix 4D.

Ernst & Young

Ernst & Young

Douglas

Douglas Bain
Partner
Sydney
21 February 2013

FAIRFAX MEDIA LIMITED
H1 FY13 RESULTS ANNOUNCEMENT

SYDNEY, 21 February, 2013: Fairfax Media Limited [ASX:FXJ] has reported a net profit after tax of $386.3 million for the half year to December 2012. The Company disposed of its remaining interest in Trade Me and its United States agricultural publishing business during the period. Excluding the profit from these business sales, the Company recorded a profit after tax of $83 million, compared to $135.7 million in the same period last year.

The Company reported underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of $230.3 million, excluding significant items, down 22.2% on last year, and in line with market consensus.

Statistical Results Summary

- Net profit after significant items and tax of $386.3 million.
- Earnings per share of 16.4¢.
- Revenue of $1.096 billion was down 7.1% from the prior corresponding period.
- EBITDA reduced 1.4% to $205.3 million.
- Significant items totalling $303.3 million profit after tax.
- Net debt reduced by $717 million to total $197 million.
- Interim dividend of 1¢ per share, fully franked.

Underlying results excluding significant items and including divested businesses for the period of ownership

- EBITDA reduced 22.2% to $230.3 million.
- Net profit after tax decreased 38.8% to $83 million.
- Earnings per share of 3.5¢, down 39.7%.

Chief Executive and Managing Director Greg Hywood said: “For some time we have considered it prudent to manage Fairfax Media on the basis that a significant cyclical upswing was unlikely in the near term. The actions that we have taken to strengthen our balance sheet and transform our business have been essential, and our progress to date is reflected in today’s result.

“While the economic environment continues to be stressed and structural change presents ongoing challenge, our overall performance is in line with expectations. Our transformation is ahead of schedule.”

Metro Media

Mr Hywood said: “We are in the midst of transforming our Metro Media business, and there are promising signs in this result. The Metro print business continues to be profitable and our circulation strategy is tracking to plan. Circulation revenue is up strongly and we are maintaining market share while focusing on highly engaged readers.

“Audiences are increasingly looking to access our journalism through the new digital platforms. More than one million SMH and The Age iPad apps have now been downloaded. More than 340,000 unique browsers now access the mobile sites of these mastheads each day. The total readership of the SMH across digital and print continues to grow and now tops 3.2 million, up 40% over the past decade, while The Age’s readership has grown 66% over the same period.”

"We continue to invest in the development of our digital businesses and digital delivery of our journalism and content. We know that Fairfax has a predominantly digital future, and the strong growth performance of our market-leading businesses, such as Stayz and Domain, is reflective of our strategy.

"The turnaround of the Financial Review Group is gathering pace and is reflected in a step-change on the half year to June 2012. Digital audiences and revenues are growing strongly, and the benefits of recent cost reduction initiatives will be seen in future results."

Regional & Agricultural

"Weakness in government spending, employment and real estate advertising weighed on the performance of our regional and agricultural businesses," Mr Hywood said. "The resilience of these businesses has been tested, with the larger markets of Wollongong and Newcastle delivering results consistent with the pressures faced by newspapers in metropolitan markets. In smaller markets, advertising revenue was down 6%.

"Cost reduction in the regional and agricultural business was a focus during the half year, with benefits expected to be seen in the June half and beyond. We are currently expanding our digital presence across rural and regional Australia."

New Zealand

Mr Hywood said: "The New Zealand trading environment continues to be typified by soft print advertising with some signs of improvement in property advertising activity. Costs continue to be tightly managed and a focus on subscriptions has assisted in stabilising circulation revenue."

Broadcasting

"Fairfax Radio has achieved the improvement that we expected new management would deliver, achieving like-for-like advertising revenue growth of 6.8% in a metropolitan market which declined by 1.9% in the six months to December 2012," Mr Hywood said. "The focus now is on broadening the product and audience for all news talk stations, driving greater collaboration across the radio network and increased integration with other Fairfax Media businesses."

Balance Sheet

Mr Hywood said: "The structural transformation of Fairfax Media is our greatest priority. Having one of the strongest balance sheets in the sector, now with net debt of less than $200 million, positions us to invest in our businesses where we see opportunity, and provides flexibility as our transformation progresses."

Fairfax of the Future

"Fairfax of the Future initiatives are tracking ahead of previously targeted expectations," Mr Hywood said. "Structural change and cost savings from the program have contributed $40 million to EBITDA in the December 2012 half year, and we are on track to deliver annualised run-rate savings of $169 million by June 2013 and $251 million by June 2015.

"There are a host of projects underway that will deliver substantial benefits to Fairfax Media, without compromising the quality of our journalism or the services that we provide to our customers. One current initiative is the outsourcing of our contact centres to TeleTech, which will reduce our costs in this area as we save as much as $18 million annually. We're also reducing our main Sydney and Melbourne real-estate office footprints through the introduction of Real-Time Working, which will deliver savings of $11 million annually by 2015.

"We are currently pursuing potential additional structural initiatives and cost savings beyond those currently envisaged under the Fairfax of the Future program. I will provide further detail of these initiatives as we progress through 2013."

Dividend

An interim fully franked dividend of 1¢ per share will be paid on 20 March 2013 to shareholders registered on 6 March 2013.

Current Trading Environment & Outlook

The trading conditions present during the first half of the financial year have continued into the current half. Continuing weakness in real estate and the national advertising market are providing a drag on Group revenue, although there is considerable volatility from month to month. December revenues were 5% below the same period last year on a like-for-like basis, with H2 revenues in the first six weeks 9 to 10% lower than the previous corresponding period. A sustained improvement in consumer sentiment is required in order to see an uplift in a number of our key advertising categories, and we note recent positive economic commentary in relation to the consumer economy.

Fairfax Media will be holding an Investor Day in Q4. We will announce details shortly.

– ENDS –

Contacts:

David Housego
Chief Financial Officer
+61 2 9282 3555

Brad Hatch
Manager of Communications
+61 2 9282 2168

Fairfax Media

2013 Half Year Results

Investor Briefing, 21 February 2013

Disclaimer

IMPORTANT INFORMATION: DISCLAIMER

Summary information

This presentation contains summary information about Fairfax Media Limited and its activities current as at 21 February 2013. The information in this presentation is of a general background nature and does not purport to be complete. It should be read in conjunction with Fairfax Media Limited other periodic and continuous disclosure announcements which are available at www.fairfaxmedia.com.au.

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Presentation Overview

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- New Zealand Media
- Broadcasting

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1. Metro Media Segment reconciliations
2. Printing Operations
3. Trade Me Segment

Fairfax Media

Overview

- Reported statutory net profit after tax of $386.3m
- Group operating EBITDA of $230.3m (excluding significant items)
- Group revenue declined 7.8% to $1,136.6m tracking to expectations. On a like for like basis excluding business divestments:
  - Metro Media down 7.4%
  - Regional down 5.8%
  - New Zealand down 2.6%
  - Broadcasting up 7.2%
  - Adjusting for the impact of week 27, group revenue declined 9%
- Group expense reduction of 3% to $907.8m. On a like for like basis excluding business divestments:
  - Metro Media costs down 5%; Regional costs down 2%; and New Zealand costs down 1%
- Group expenses reduced 5% after adjusting for:
  - Adjusting for the impact of week 27
  - $9.5m of ODI/Media House asset and investment $3.7m write off recorded in operating costs within the Corporate segment in H1 FY13

Fairfax Media

Overview

- Fairfax of the Future (FoF) transformation plan tracking ahead of target:
  - EBITDA contribution of circa $40m at H1 FY12. EBITDA contribution of $117m by FY13
  - Total savings of $235m announced and now tracking to total savings of $251m
  - FTEs reduced by 10.6% July to December 2012. Significant employee departures in September and November 2012
- It will take time to stabilise and grow earnings with the full impact of Fairfax of the Future initiatives not effective until June 2014
- Strengthened balance sheet with reduced risk during transformation. Net debt to EBITDA 0.5 times
- Net debt from $1.127bn at December 2011 to $197m at December 2012
- Dividend of 1 cps fully franked and in line with the September 2012 dividend
- H1 FY13 includes 27 weeks as compared to 26 weeks in H1 FY12. This represents additional revenue of $20m and an EBITDA loss of $2m for this additional week in H1 FY13.

Fairfax has been proactive in a challenging environment

Print revenues continue to be challenged driven by structural and cyclical forces. This is consistent with Fairfax expectations, and our strategic initiatives reflect this reality.

Strategic initiatives	Progress / Outcomes
1 **Realign business model**	• Metro initiatives include: – Mastheads migration to compact format March 2013 – Metro digital subscriptions in 2013 Q4 – Domain in AFR • Chullora/Tullamarine decommissioning on track • Circulation strategy successful
2 **Aggressive focus on cost control**	• Fairfax of the Future: • EBITDA contribution of $100m by June 2013 – Forecast of $251m of annualised savings by FY15 – Call centre centralisation ($18m annual savings) and Real Time Working ($11m annual saving) projects have commenced
3 **Growing digital businesses**	• Strong revenue growth for key areas – Stayz 13% – Domain 14% • Investing in capability: – Creation of new networks: Women, Business and Food & Wine – Metro Mobile sites upgraded, new look websites launch in March 2013 – Investment in additional digital capability through acquisition of Netus
4 **Capital and portfolio management**	• Divestment of Trade Me ($606m) and US Agriculture ($80m)

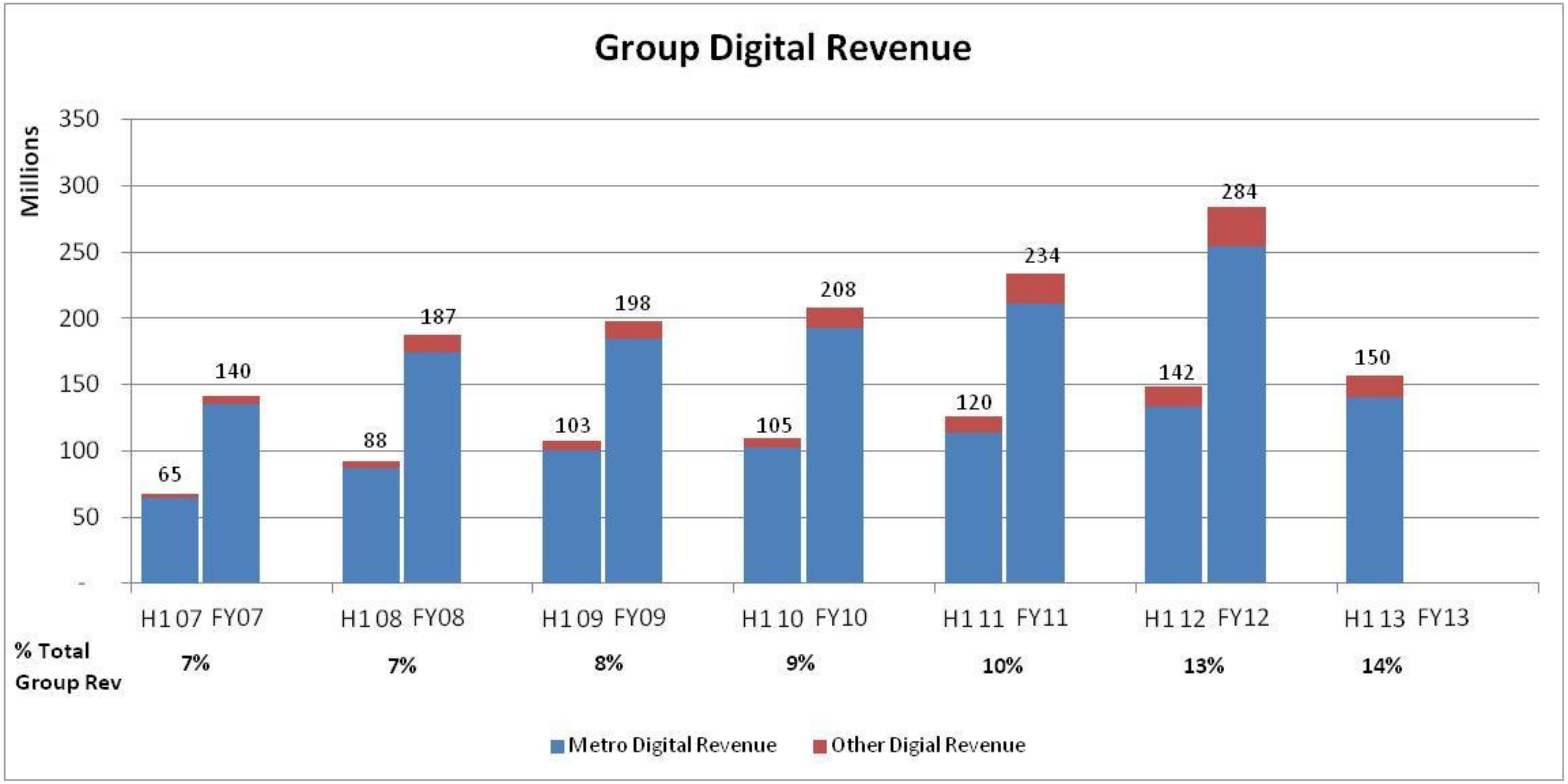
Group Trading Performance

	Trading Performance excluding significant items	Less Entities Disposed	Trading Performance for continuing businesses	Trading Performance for continuing businesses	
	H1 FY2013			H1 FY2012	Change
	$'m	$'m	$'m	$'m	%
Total revenue	1,136.6	79.6	1,057.0	1,120.6	(5.7%)
Associate profits	1.5	-	1.5	1.3	15.9%
Expenses	(907.8)	(29.2)	(878.6)	(872.8)	(0.7%)
Operating EBITDA	230.3	50.4	180.0	249.1	(27.8%)
Depreciation and amortisation	(54.1)	(3.2)	(50.9)	(52.2)	2.5%
EBIT	176.2	47.2	129.0	197.0	(34.5%)
Net interest expense	(37.6)	(2.1)	(35.5)	(59.3)	40.1%
Net profit before tax	138.6	45.1	93.5	137.8	(32.2%)
Tax (expense)/benefit	(40.5)	(10.0)	(30.5)	(35.4)	13.8%
Net Profit after Tax from continuing operations	98.1	35.1	63.0	102.4	(38.5%)
Net Profit after Tax from discontinued operations	-	-	-	-	0.0%
Net profit after tax	98.1	35.1	63.0	102.4	(38.5%)
Net profit attributable to non-controlling interest	(15.0)	(14.5)	(0.5)	(0.3)	(63.9%)
Net profit attributable to members of the Company	83.0	20.6	62.4	102.0	(38.8%)
Earnings per share	3.5		2.7	4.3	(38.8%)

- H1 FY13 includes 27 weeks versus 26 weeks in H1 FY12
- Entities divested includes Trade Me Group, US Agricultural and Victorian Community publications.

Fairfax Media

Digital revenue increase across the Fairfax Group



- Continued growth across the group in digital revenue after a slow start to Q1 FY13 with online general display market up 1.2% (IAB)
- Strong market share growth against Top 5 peers (SMI)
- Metro digital revenue includes Australian metropolitan news sites, online classifieds and transaction sites on tablet, mobile and online platforms. Other Digital Revenue includes Regional, New Zealand and Broadcasting. Group Digital Revenue excludes Trade Me

Metropolitan Media

Comprises Financial Review Group, Sydney, Melbourne & Canberra metro newspapers and magazines, community publications, classifieds and Australian news and transactional sites

Metropolitan Media	FY13 H1 A$'m	FY12 H1 A$'m	% change
Advertising	**351.0**	441.2	(20.4%)
Circulation	**111.0**	95.4	16.3%
Other	**74.9**	73.8	1.5%
Total Revenue	**536.9**	610.4	(12.0%)
Costs	**(489.1)**	(536.0)	8.8%
EBITDA	**47.8**	74.4	(35.7%)
Printing Contribution	**13.8**	12.8	
Adjusted EBITDA	**61.6**	87.2	
Adjusted EBIT	**36.7**	60.8	(39.7%)
Margin	**8.9%**	12.2%	(26.9%)

Underlying Advertising (14.7%)*

Underlying Circulation 4.4%*

Underlying Revenue (7.4%)*

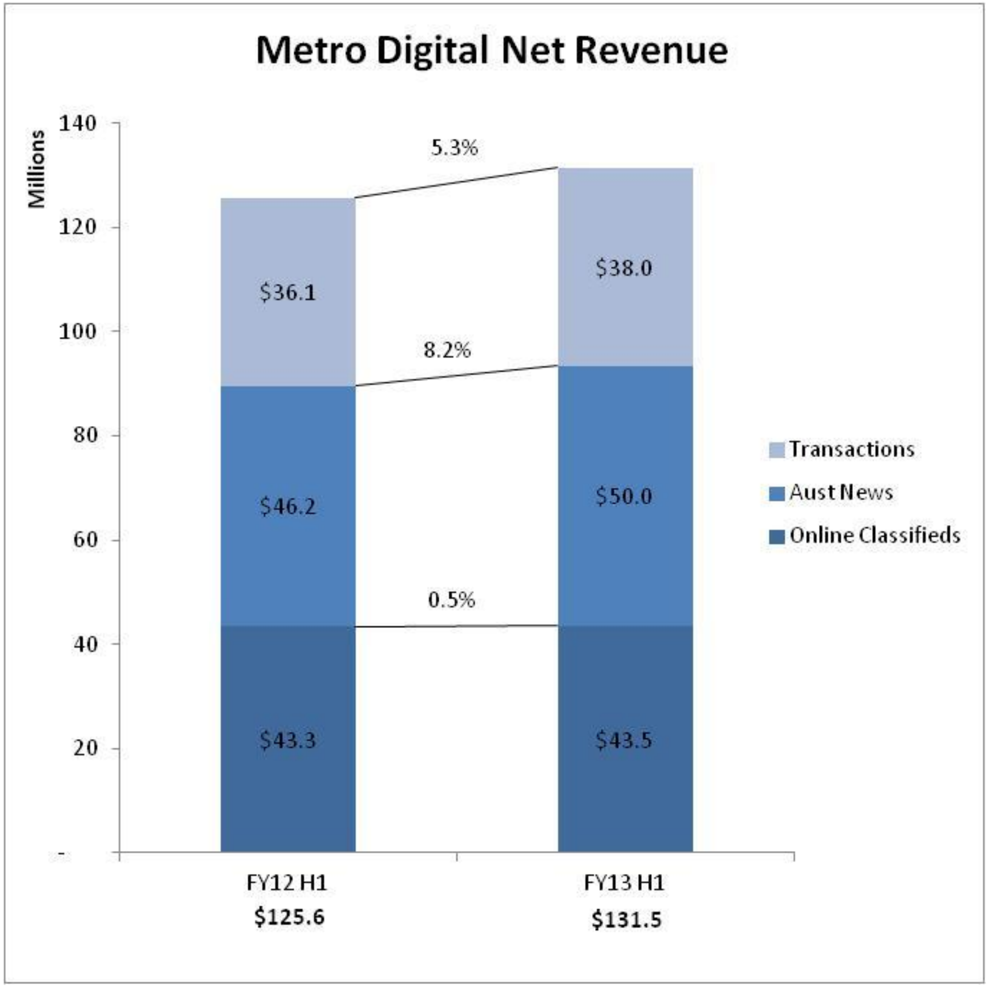
Underlying Costs 4.8%*

*Underlying adjustments relate to (1) Victorian Community publication divestment & (2) Circulation revenue benefit and distribution costs adversely impacted by $10.9m following a change in contractual terms. In FY12 revenue was presented net of home delivery fees and in FY13 included in distribution costs.

- Print publication contribution continues to be profitable
- Print contribution of $13.8m in H1FY13. Further $44m full year EBITDA benefit from closure of Chullora & Tullamarine expected to be realised in the publications in FY15

Fairfax Media

Metropolitan Media Digital Revenue Profile



Revenue is net of discounts, commissions and adjusted for internal advertising within the Metro segment.

- Stayz revenue up 13%.
- RSVP revenue flat in a competitive market and remains #1.
- Revenue growth of 4% across the balance of the transactions portfolio.

- New site launches and promotions in women and food & wine verticals
- Weatherzone revenue growth of 25%.
- Digital subscription revenue to commence in Q4 with financial impact in FY14.

- Domain revenue up 14%.
- MyCareer and Drive continue to decline.

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Metropolitan Media
Metro News Print & Digital

	Print News & Classifieds FY13 H1 A$'m	Metro Digital FY13 H1 A$'m	Total FY13 H1 A$'m	Print News & Classifieds FY12 H1 A$'m	Metro Digital FY12 H1 A$'m	Total FY12 H1 A$'m	% change
Advertising	**170.8**	**85.4**	**256.2**	224.2	81.5	305.6	(16.2%)
Circulation	**78.3**	**-**	**78.3**	63.1	-	63.1	24.0%
Other	**23.7**	**46.1**	**69.8**	23.6	44.1	67.7	3.1%
Total Revenue	**272.8**	**131.5**	**404.3**	310.9	125.6	436.5	(7.4%)
Costs			**(368.6)**			(382.7)	3.7%
EBITDA			**35.7**			53.8	(33.6%)
Print Contribution			**13.8**			12.8	7.8%
Adjusted EBITDA			**49.5**			66.6	(25.7%)

Underlying Circulation 8%*

Underlying Revenue (9.5)%*

Underlying Costs 6%*

Print News & Classifieds: SMH, Age and Print Classifieds
Metro Digital: Online Classifieds, Australian news and transaction sites. Metro Digital includes $5m in other revenue and costs in both years for online traffic fees between news and transactions sites.
*Underlying adjustments relate to circulation revenue benefit and distribution costs adversely impacted by $9.4m following a change in contractual terms. In FY12 revenue was presented net of home delivery fees and in FY13 included in distribution costs.

- Advertising revenue decreased 23.8% in Metro Print and increased 4.8% in Metro Digital
- Strategy of managing circulation for profit is driving significant gains in yield
- Launch of the compact edition expected in March 2013
- Other digital revenue increase of $2m (4.5%) driven by the transaction sites
- Investment continues in digital businesses through additional capability and promotion of new sites

Fairfax Media

Metro Media - Digital Transactions

Transactions	FY13 H1 A$'m	FY12 H1 A$'m	% change
Advertising	**4.3**	4.0	6.3%
Circulation	**-**	-	-
Other	**33.7**	32.1	5.1%
Total Revenue	**38.0**	36.1	5.2%
Costs	**(24.9)**	(21.5)	(16.0%)
EBITDA	**13.1**	14.6	(10.5%)
EBIT	**9.8**	11.5	(14.5%)
Margin	**34.5%**	40.6%	(15.0%)

Includes $5m in costs for online traffic fees between the news and transaction sites.

- Stayz revenue momentum remains strong up 13% driven by increased bookings and average yield
- RSVP revenue flat in a competitive market
- Cost increase reflects:
  - Above the line promotion spend in the travel and dating category
  - Investment in RSVP to maintain competitive position
  - Capability increases in growth businesses.

Fairfax Media

Financial Review Group

Comprises Australian Financial Review, magazines and FRG Asia and is part of the Metropolitan Media segment

FRG	FY13 H1 A$'m	FY12 H1 A$'m	% change
Advertising	**38.3**	41.7	(8.2%)
Circulation	**26.2**	25.9	1.2%
Other	**4.2**	4.5	(6.7%)
Net Revenue	**68.7**	72.1	(4.7%)
Costs	**(65.3)**	(63.2)	(3.3%)
EBITDA	**3.4**	8.9	(61.3%)
Printing Contribution	**1.0**	1.0	
Adjusted EBITDA	**4.4**	9.9	
Adjusted EBIT	**1.8**	7.4	(75.0%)
Margin	**5.0%**	12.3%	(59.4%)

Underlying Circulation (4.4%)*

Underlying Revenue (6.7%)*

Underlying Costs (0.9%)*

*Underlying adjustments relate to circulation revenue benefit and distribution costs adversely impacted by $1.5m following a change in contractual terms. In FY12 revenue was presented net of home delivery fees and in FY13 included in distribution costs.

- Advertising declines primarily due to lower commercial property and executive recruitment
- H1 FY13 advertising revenue run rate an improvement on the H2FY12 decline of 17%
- Circulation declines driven by cost cutting in financial services industry and legal profession
- Australian digital ad revenues up 66 %, unique audience across digital portfolio up 162%. Digital subscriptions over the last 24 months from 6,200 to 24,000

- H2 FY13 cost initiatives include:
  - Move to single print edition
  - Relocation of copy sub-editing to Fairfax Editorial Services in New Zealand
- 53 FTEs (13%) reduction in six months to December 2012
- Majority of benefits from initiatives to be reflected in H2 FY13 and into FY14

Fairfax Media

Fairfax Regional Media

Comprises Australian Regional and Agricultural Publishing (Aust/NZ/USA)

Fairfax Regional Media	FY13 H1 A$'m	FY12 H1 A$'m	% change
Advertising	**213.7**	236.2	(9.5%)
Circulation	**50.4**	50.8	(0.8%)
Other	**15.5**	14.8	4.9%
Total Revenue	**279.7**	301.8	(7.3%)
Costs	**(204.2)**	(212.8)	4.0%
EBITDA	**75.5**	89.0	(15.2%)
EBIT	**72.4**	85.8	(15.6%)
Margin	**27.0%**	29.5%	(8.5%)

Underlying Advertising* (7.7%)

Underlying Revenue* (5.8%)

Underlying EBITDA* (15.2%)

*Underlying adjustments relate to US Agricultural publishing which was included in H1 FY13 until 14 November 2012.

- Larger markets in Wollongong and Newcastle (17% of total regional segment) are experiencing difficult trading conditions with advertising revenues down 16%. Balance of the Regional portfolio advertising down 6% and a 3% decline in Agricultural Publishing
- Weakness primarily government, employment and real estate sectors. Advertising yields up 1.5%
- Continued focus on cost reduction which is expected to be seen in the second half
- Investment in digital continues and provides a significant growth opportunity

New Zealand Media

103 newspaper and magazine publications and 19 websites

New Zealand	FY13 H1 NZ$'m	FY12 H1 NZ$'m	% change
Advertising	**149.3**	156.7	(4.7%)
Circulation	**64.9**	65.4	(0.8%)
Other	**6.0**	4.1	47.2%
Total Revenue	**220.2**	226.2	(2.6%)
Costs	**(184.0)**	(185.3)	0.7%
EBITDA	**36.2**	40.9	(11.5%)
EBIT	**30.4**	35.7	(14.8%)
Margin	**16.4%**	18.1%	(9.1%)

- Advertising revenue fall of 5% was consistent with H2 FY12 with property advertising activity stronger
- Integration of editorial and advertising production was completed successfully, this included a component of outsourcing
- Christchurch publishing environment is now fully stabilised, the new CBD premises occupied and insurance matters resolved
- Plans are advanced to move to a single printing facility for the Upper North Island using Fairfax Group surplus equipment
- Audience for www.stuff.co.nz and print readership overall presents a continuing combined strength for the business in NZ. Digital revenue increased 18% to NZ$5.6m

Fairfax Media

Broadcasting

Comprises Regional and Metropolitan radio stations

Broadcasting	FY13 H1 A$'m	FY12 H1 A$'m	% change
Advertising	**50.9**	50.6	0.6%
Circulation	**-**	-	-
Other	**4.2**	2.1	100.0%
Total Revenue	**55.1**	52.7	4.6%
Costs	**(44.9)**	(43.0)	(4.4%)
EBITDA	**10.2**	9.7	5.2%
EBIT	**8.9**	8.3	7.2%
Margin	**18.5%**	18.4%	0.8%

Underlying Advertising 6.8%*

Underlying Revenue 7.2%*

Underlying EBITDA 13.3%*

**Underlying adjustments relate to (1) Regional Radio was sold in October 2011 and results are included up to the date of sale and (2) $1.6m impact on other revenue for a change in accounting for ad production revenue

- Significant turnaround in advertising revenue growth versus H2 FY12 decline of 10% (excluding regional radio)
- Market share gains in all markets for the six months
- 3AW remains market leader in Melbourne. 96fm ratings in Perth and market share have dramatically improved since relaunch in February 2012
- Focus is now on broadening the product and audience for all news talk stations, driving greater collaboration across the radio network and greater integration with the broader Fairfax group

Fairfax Media

Group Financials

David Housego

Chief Financial Officer

Group Trading Performance – H1 FY13

30-Dec-12	Reported 4D $'m	Add Trade Me $'m	Less Significant item $'m	Trading Performance excluding significant items $'m	Less Entities Disposed $'m	Trading Performance for continuing businesses $'m
Total revenue	1,096.2	60.2	19.8	1,136.6	79.6	1,057.0
Associate profits	1.5	-	-	1.5	-	1.5
Expenses	(892.4)	(15.4)	-	(907.8)	(29.2)	(878.6)
Operating EBITDA	205.3	44.8	19.8	230.3	50.4	180.0
Depreciation and amortisation	(51.0)	(3.1)	-	(54.1)	(3.2)	(50.9)
EBIT	154.3	41.7	19.8	176.2	47.2	129.0
Net interest expense	(35.5)	(2.1)	-	(37.6)	(2.1)	(35.5)
Net profit before tax	118.8	39.6	19.8	138.6	45.1	93.5
Tax (expense)/benefit	(29.3)	(11.2)	-	(40.5)	(10.0)	(30.5)
Net Profit after Tax from continuing operations	89.5	28.4	19.8	98.1	35.1	63.0
Net Profit after Tax from discontinued operations	311.9	(28.4)	283.5	-	-	-
Net profit after tax	401.4	-	303.3	98.1	35.1	63.0
Net profit attributable to non-controlling interest	(15.0)	-	-	(15.0)	(14.5)	(0.5)
Net profit attributable to members of the Company	386.3	-	303.3	83.0	20.6	62.4
Earnings per share	16.4			3.5		2.7

- Appendix 4D disclosures include Trade Me as a Discontinued Operation until 21 December 2012 and prior year comparatives are required to be restated. The table above provides a reconciliation between these disclosures and underlying trading performance.
- Results have not been adjusted for the impact of the additional week in H1 FY13.
- Entities disposed includes Trade Me Group, US Agricultural and Victorian Community publications.

Fairfax Media

Group Trading Performance – H1 FY12

	Reported 4D	Add Trade Me	Less Significant item	Trading Performance excluding significant items	Less Entities Disposed	Trading Performance for continuing businesses
25-Dec-11	$'m	$'m	$'m	$'m	$'m	$'m
Total revenue	1,179.9	52.3	-	1,232.2	111.5	1,120.6
Associate profits	1.1	0.2	-	1.3	-	1.3
Expenses	(972.8)	(12.0)	(47.5)	(937.3)	(64.5)	(872.8)
Operating EBITDA	208.2	40.6	(47.5)	296.2	47.0	249.1
Depreciation and amortisation	(52.8)	(1.8)	-	(54.6)	(2.4)	(52.2)
EBIT	155.4	38.8	(47.5)	241.7	44.6	197.0
Net interest expense	(59.3)	0.3	-	(59.0)	0.3	(59.3)
Net profit before tax	96.1	39.1	(47.5)	182.7	44.9	137.8
Tax expense/(benefit)	(26.9)	(10.7)	8.5	(46.1)	(10.7)	(35.4)
Net Profit after Tax from continuing operations	69.2	28.4	(39.0)	136.6	34.2	102.4
Net Profit after Tax from discontinued operations	28.4	(28.4)	-	-	-	-
Net profit after tax	97.6	-	(39.0)	136.6	34.2	102.4
Net profit attributable to non-controlling interest	(0.9)	-	-	(0.9)	(0.6)	(0.3)
Net profit attributable to members of the Company	96.7	-	-	135.7	33.6	102.0
Earnings per share	4.1			5.8		4.3

- Appendix 4D disclosures include Trade Me as a Discontinued Operation until 21 December 2012 and prior year comparatives are required to be restated. The table above provides a reconciliation between these disclosures and underlying trading performance.
- Entities disposed of includes Trade Me Group, US Agricultural , Victorian Community publications and Regional Radio businesses

Fairfax Media

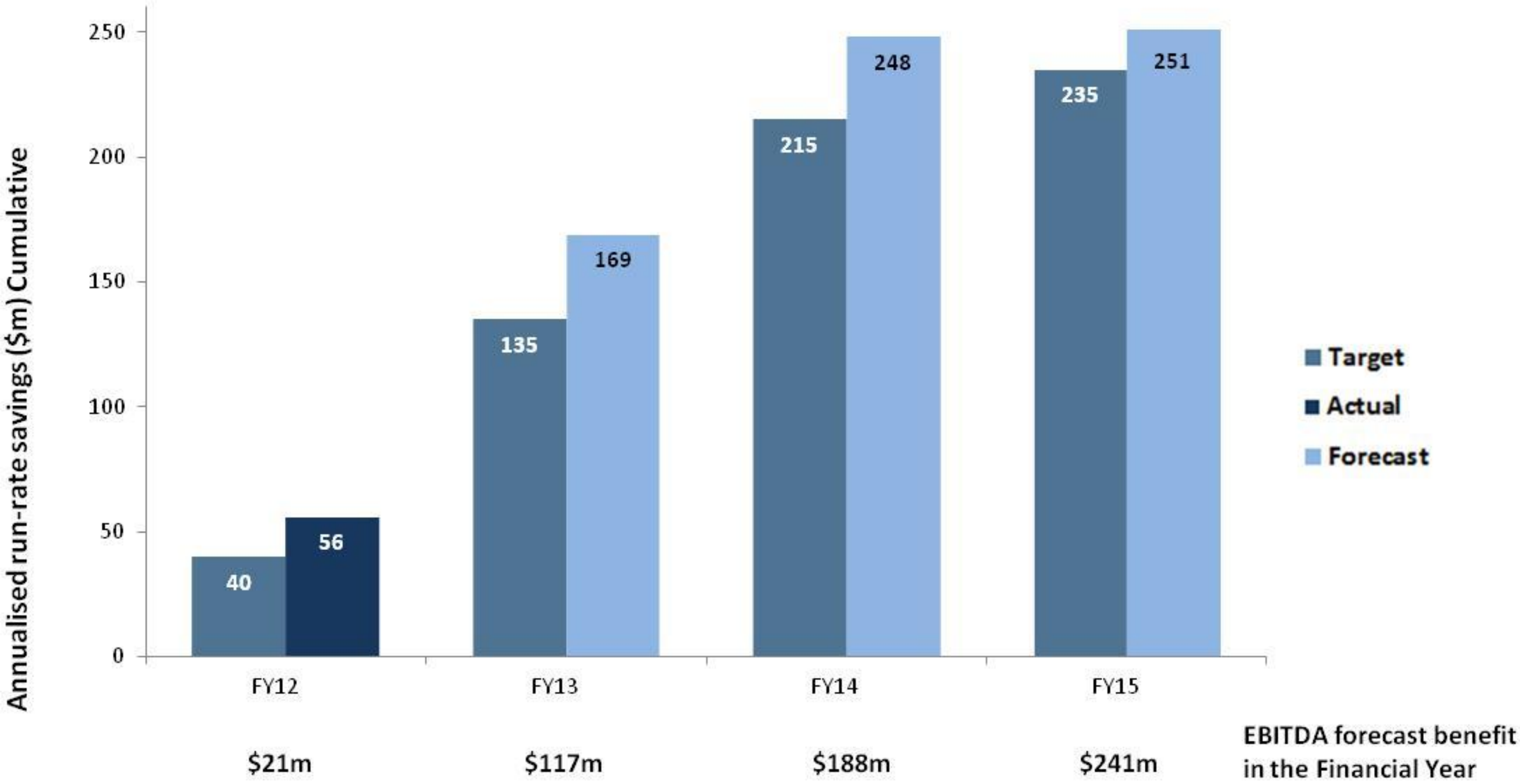
H1 FY13 Results by Reporting Segment

FY13 H1 Results (excluding significant items)	Revenue			EBITDA		
	FY13 H1 A$m	FY12 H1 A$m	% change	FY13 H1 A$m	FY12 H1 A$m	% change
Metropolitan Media	536.9	610.4	(12.0)%	47.8	74.4	(35.7)%
Fairfax Regional Media	279.7	301.8	(7.3)%	75.5	89.0	(15.2)%
Printing Operations	223.4	253.5	(11.9)%	40.8	45.3	(9.9)%
Trade Me	60.2	52.5	14.7%	44.8	40.6	10.3%
New Zealand Media	173.1	176.8	(2.1)%	28.5	32.4	(12.1)%
Broadcasting	55.1	52.7	4.6%	10.2	9.7	5.2%
Corporate and Other	(0.5)	5.9	(108.5)%	(17.3)	4.8	(460.4%)
Less internal printing sales	(189.8)	(220.1)	(13.8)%	-	-	-
Total	**1,138.1***	**1,233.5***	**(7.7)%**	**230.3**	**296.2**	**(22.3)%**

NZ Businesses in local currency						
Trade Me (NZ$)	76.6	67.3	13.8%	57.0	52.0	9.6%
New Zealand Media (NZ$)	220.2	226.2	(2.6)%	36.2	40.9	(11.4)%

*Revenue disclosed above includes Associate Profits

Fairfax of the Future Annualised Savings



- Full benefit of Chullora and Tullamarine closure will impact FY15
- Total annualised run-rate savings achieved to December 2012 of $131m

Fairfax Media

Fairfax of the Future Program

The program continues to deliver significant structural change across the business and has resulted in total annualised cost savings achieved to December 2012 of $131m. Expected savings in FY15 now $251m versus $235m.

Key actions taken to date include:

- Significant reduction in headcount and space requirement (FTE 854), Real-Time Working ($11m)
- Major restructuring of Editorial ($30m); Contact Centre outsourcing ($18m)
- Sub-editing for AFR and some regional titles moved to New Zealand
- Managed circulation decline for SMH & The Age through channel rationalisation; improved yields on SMH and The Age
- Rationalisation and optimisation of printing facilities across Australia and New Zealand
- Redundancy provision $121m; expect H2 payments of $20m, balance through FY14

We are addressing a number of structural cost elements in the business. Additional work will be undertaken to address cost inflators in the business as a whole.

Fairfax Media

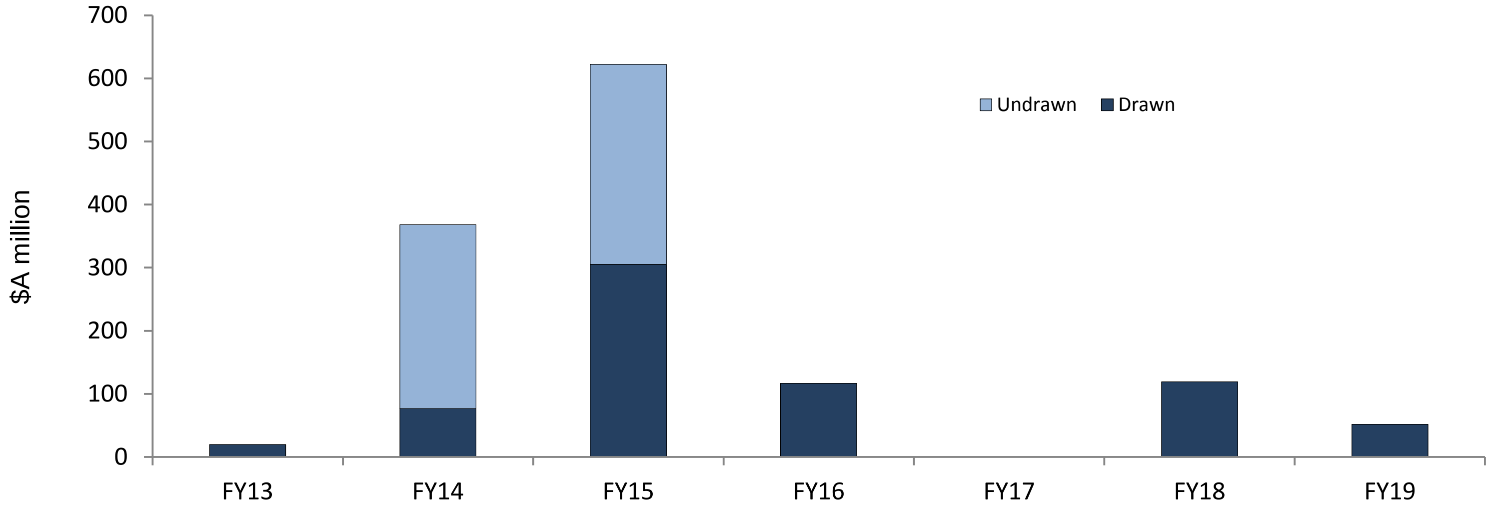
Cash Flow & Net Debt

A$m	FY13 H1	FY12 H1
Cash from trading	221	298
Proceeds from asset sales and investments	642	286
Net other inc exchange movements	(2)	4
Cash In Flows	**861**	**588**
Net finance charges	33	62
Tax payments	51	79
Investment in acquired business/ventures	67	4
Investment in PP&E	18	22
Restructure/redundancy payments	69	27
Loans (repaid)/advanced	(2)	(2)
Dividends paid	38	35
Cash Out Flows	**274**	**227**
Net Cash In / (Out) Flow	587	361
Net Debt at beginning of period	914	1,488
Less: Disposal of Trade Me facility	(130)	-
Net Debt at end of period (including SPS)	197	1,127

- $67m invested in H1 FY13 across the following businesses: MMP Holdings, Netus, Beaudesert Times, YesBook it Partnership, Midac Technologies, Tradevine and Baches & Holiday Homes to Rent.
- Net finance charges approximately $25m in H2 FY13
- Capital expenditure anticipated to be in the order of $60-75 million for FY13

Fairfax Media

Facility Maturity Schedule



- Available facilities of $1,300m (currently drawn to $700m with headroom $600m)
- Cash on hand is $477.6m
- Next significant maturity $291m in April 2014

Debt levels at December 2012

	Actual Dec 12	Actual Jun 12	Actual Dec 11	Covenant
Total interest bearing liabilities	590.7	1,207.3	1,514.4	
Debt related derivatives	84.1	65.1	167.3	
Cash and cash equivalents	(477.6)	(358.4)	(555.2)	
Net debt	$197.2	$914.1	$1,126.5m	
EBITDA (last 12 months)	$440.0	$506.0	$612.0m	
Net debt to EBITDA	0.5x	1.8x	1.8x	4.0x max
Net interest (last 12 months)	$84.6m	$111.7m	$128.9m	
EBITDA to net interest	5.2x	4.5x	4.7x	3.25x min

Dividend

- Dividend of 1 cent per share
- Represents a payout ratio of 28%
- Cash outflow of $23.5m in March 2013

Fairfax Media

Current Trading Environment & Outlook

Current Trading Environment & Outlook

- Continued weakness in core advertising markets including employment, government and retail
- Early February 2013 revenue run rate of 9-10% below prior year
- We note recent commentary around improving consumer sentiment which if realised will be positive for our key categories

Conclusion

- Our objective remains to transform the business over the next two years into a lean and innovative media business with growing new revenue streams well leveraged to any cyclical upturn
- Focus remains on stabilising earnings and repositioning the portfolio for growth, by:
  - Delivery of a profitable Metro Media News digital model
  - Extending Fairfax of the Future with continued focus on efficiency and productivity
  - Accelerate Fairfax's digital future
  - Extending Metro digital transformation to key regional markets
- We will continue to update the market on the transformation plans to grow shareholder value at an Investor Day in Q4.

Fairfax Media

Appendices

Appendix 1: Metro Media segment reconciliations

Metropolitan Media

FY 2013 H1	Print News & Classifieds A$'m	Digital News & Classifieds A$'m	Total News & Classifieds A$'m	Digital Transactions A$'m	FRG A$'m	ACT/Communities A$'m	TOTAL METRO MEDIA SEGMENT A$'m
Advertising	170.8	81.1	251.9	4.3	38.3	56.5	351.0
Circulation	78.3	-	78.3	-	26.2	6.5	111.0
Other	23.7	12.4	36.1	33.7	4.2	0.9	74.9
Total Revenue	272.8	93.5	366.3	38.0	68.7	63.9	536.9
Costs			(343.7)	(24.9)	(65.3)	(55.2)	(489.1)
EBITDA			22.6	13.1	3.4	8.7	47.8
Printing Contribution			13.8		1.0		14.8
Adjusted EBITDA			36.4	13.1	4.4	8.7	62.6

Metropolitan Media

FY 2012 H1	Print News & Classifieds A$'m	Digital News & Classifieds A$'m	Total News & Classifieds A$'m	Digital Transactions A$'m	FRG A$'m	ACT/Communities A$'m	TOTAL METRO MEDIA SEGMENT A$'m
Advertising	223.1	78.6	301.7	4.0	41.7	93.8	441.2
Circulation	63.1	-	63.1	-	25.9	6.4	95.4
Other	23.6	12.0	35.6	32.1	4.5	1.6	73.8
Total Revenue	309.8	90.6	400.4	36.1	72.1	101.8	610.4
Costs			(361.2)	(21.5)	(63.2)	(90.1)	(536.0)
EBITDA			39.2	14.6	8.9	11.7	74.4
Printing Contribution			12.8		1.0		13.8
Adjusted EBITDA			52.0	14.6	9.9	11.7	88.2

Appendix 1: Metro Media segment reconciliation

Metropolitan Media FY 2012	Print News & Classifieds A$'m	Digital News & Classifieds A$'m	Total News & Classifieds A$'m	Digital Transactions A$'m	FRG A$'m	ACT/Communities A$'m	TOTAL METRO MEDIA SEGMENT A$'m
Advertising	400.7	153.1	553.8	8.2	72.3	168.6	802.9
Circulation	127.5	-	127.5	-	48.8	12.7	189.0
Other	36.0	24.5	60.5	66.0	8.9	3.3	138.7
Total Revenue	564.2	177.6	741.8	74.2	130.0	184.6	1,130.6
Costs			(691.9)	(42.9)	(123.9)	(169.4)	(1,028.1)
EBITDA			49.9	31.3	6.1	15.2	102.5
Printing Contribution			21.1		1.6		22.7
Adjusted EBITDA			71.0	31.3	7.7	15.2	125.2

Metropolitan Media FY 2011	Print News & Classifieds A$'m	Digital News & Classifieds A$'m	Total News & Classifieds A$'m	Digital Transactions A$'m	FRG A$'m	ACT/Communities A$'m	TOTAL METRO MEDIA SEGMENT A$'m
Advertising	484.3	138.1	622.4	7.1	82.2	197.8	909.5
Circulation	132.0	-	132.0	-	52.3	13.0	197.3
Other	35.6	22.5	58.1	52.8	8.8	4.2	123.9
Total Revenue	651.9	160.6	812.5	59.9	143.3	215.0	1,230.7
Costs			(729.2)	(33.0)	(131.2)	(182.1)	(1,075.5)
EBITDA			83.3	26.9	12.1	32.9	155.2
Printing Contribution			31.7		2.4		34.1
Adjusted EBITDA			115.0	26.9	14.5	32.9	189.3

Appendix 2: Printing Operations

Comprises Australian and NZ printing centres

Printing Operation	FY13 H1 A$'m	FY12 H1 A$'m	% change
Advertising	**-**	-	-
Circulation	**-**	-	-
Other	**223.4**	253.5	(11.9%)
Total Revenue	**223.4**	253.5	(11.9%)
Internal Revenue	**(189.8)**	(220.1)	(13.8%)
Net Revenue	**33.6**	33.4	0.6%
Costs	**7.2**	11.9	(39.5%)
EBITDA	**40.8**	45.3	(9.9%)
EBIT	**11.0**	14.5	(24.1%)
Margin	**18.3%**	17.9%	2.2%

- Revenue decline reflects volume decreases consistent with pagination reductions by publishers.
- Closures of Chullora and Tullamarine by June 2014
- Included above in H1 FY13 is Chullora and Tullamarine EBITDA of $14.8m which has been disclosed in the Metro Media segment

Appendix 3: Trade Me

Trade Me	FY13 H1 NZ$'m	FY12 H1 NZ$'m	% change
Advertising	**39.3**	30.7	28.2%
Circulation	**-**	-	-
Other	**37.3**	36.7	1.7%
Total Revenue	**76.6**	67.3	13.8%
Costs	**19.6**	15.3	(28.1%)
EBITDA	**57.0**	52.0	9.6%
EBIT	**53.0**	49.7	6.6%
Margin	**74.4%**	77.2%	(3.7%)

Performance presented above is to the date of sale on the 21 December 2012

- Proceeds net of transaction fees of A$606 million were received for the sale of the final 51%
- The implied IRR of Trade Me investment was 15.5%. This includes proceeds from the IPO and step disposal (NZD$1,480m) and dividends over the period of ownership ($NZD311)
- The profits on sale of the 34% at IPO in December 2011 and the sell down of 15% in June 2012 have been recognised in equity ($183m) in the Acquisition Reserve. Profit on sale of the final 51% (December 2012) has been recognised in the income statement in the discontinued operations line
- Trade Me business performed well since the IPO. This disposal of our remaining shares in December 2012 reflected the desire for Fairfax Media Limited to reduce its gearing

Fairfax Media