2011 Full Year Results

For the twelve months ended 26 June 2011

Presentation Overview

Overview and Results	Greg Hywood
Group Financials	Brian Cassell
Strategy Implementation	Greg Hywood
Metropolitan Strategy Implementation	Jack Matthews
Summary	Greg Hywood
Q & A	

Appendices attached

A. Group Trading Performance
Segment Results –H2
Detailed Business Segment Performance

B. Overview of Trade Me

Fairfax Media

Overview

The multi-platform strategy of Fairfax Media has provided diversified earnings and protection from a severe downturn in H2 FY11.

- **Underlying NPAT after SPS Dividend of $273.7 million**
  - Decrease of 1.8% on FY10 despite challenged trading conditions in H2 FY11
  - Digital, Regional and Agricultural media have provided insulation from the Metro earnings decline
- **Reported net loss after tax of $400.9 million**
  - Impairment and restructuring charges total $674.6 million
  - Vast majority of charges are non-cash with no impact on debt, cash flows or future earnings
- **Strong Cash Flows & Strengthening Balance Sheet**
  - Trading cash flows remain strong, up 8.5% to $624.3 million
  - Balance sheet is strengthening with no debt issues as substantial head room exists in both debt facility limits and covenants
  - Undrawn facilities and cash on hand comfortably cover the approximately $750 million debt maturity in FY12
- **Launch of $85 million two-year Company wide cost reduction program**
  - Majority of savings from printing and distribution functions
  - On track to turnaround the Metros to withstand structural and cyclical threats
  - Quality journalism and content remains core to the group and growth strategy

Overview (cont'd)

- **Creating Value**
  - We will adopt a more flexible corporate structure within our multi-platform strategy and have resolved to IPO 30-35% of Trade Me on the NZX, subject to acceptable market conditions
  - Standalone focus and access to capital will create value and drive future growth for Trade Me
  - NZ retail ownership will further enhance brand profile and customer loyalty
- **Future Digital Growth**
  - Trade Me remains a key growth asset for the group and we will retain a majority interest
  - 100% ownership of Australian digital businesses will be retained to leverage synergies with our other businesses and maximise their growth prospects
- **Resilient Regional and Agricultural Media Assets**
  - Achieved combined 2.9% growth in EBITDA
- **Transaction Proceeds to drive balance sheet flexibility**
  - Proceeds from the sale of Radio (subject to acceptable pricing) and the partial IPO of Trade Me (subject to market conditions) will be used to reduce debt and increase dividends
- **Well positioned to build shareholder value**
  - We continue to adapt our businesses to the ever-evolving media environment and are managing through a prolonged cyclical downturn
  - Implementation of the strategy is well under way to build long term shareholder value
  - Focus remains on improving operating performance and growing long term sustainable earnings

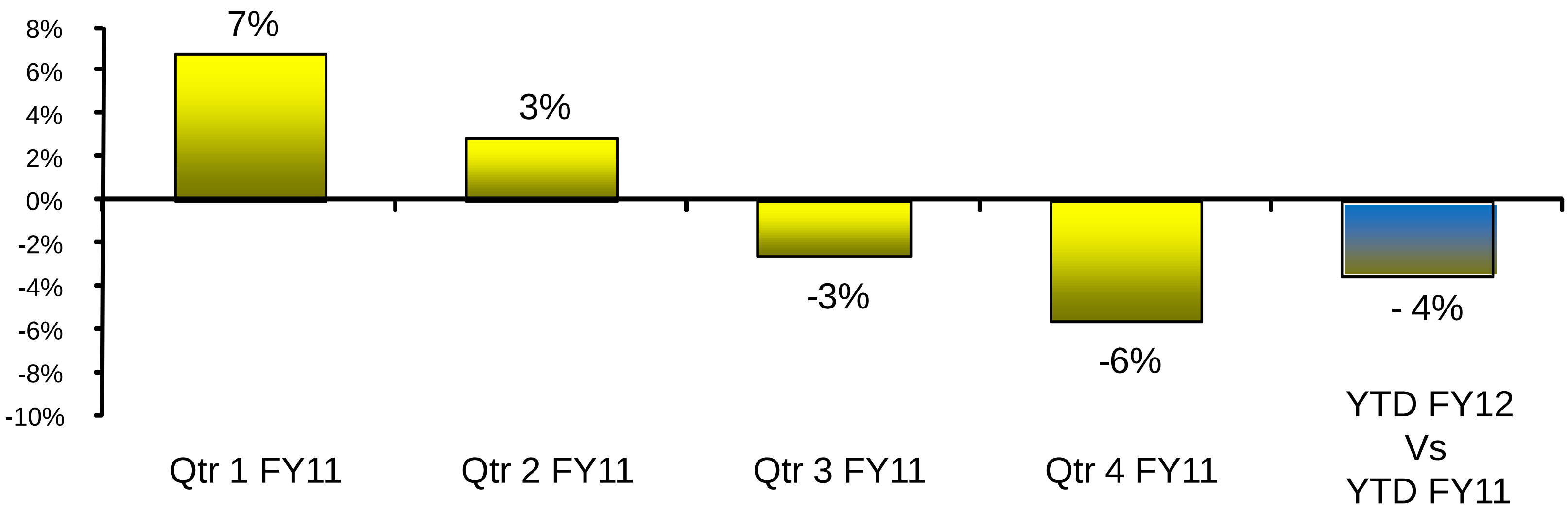
Group Results Summary

Pre Significant Items			
Revenue	$2,468.9m	▼	(0.6)%
EBITDA	$607.4m	▼	(5.0)%
NPAT	$273.7m	▼	(1.8)%
EPS	11.6c	▼	(1.4)%
Dividend	1.5c	▲	7.0%
Trading Cash Flow	$624.3m	▲	8.5%
Net Debt (Incl. SPS)	$1,487.7m	▼	$247.3m

Post Significant Items			
EBITDA	$(80.7)m	▼	n/m
NLAT	$(400.9)m	▼	n/m
EPS	(17.0)c	▼	n/m

Fairfax Media

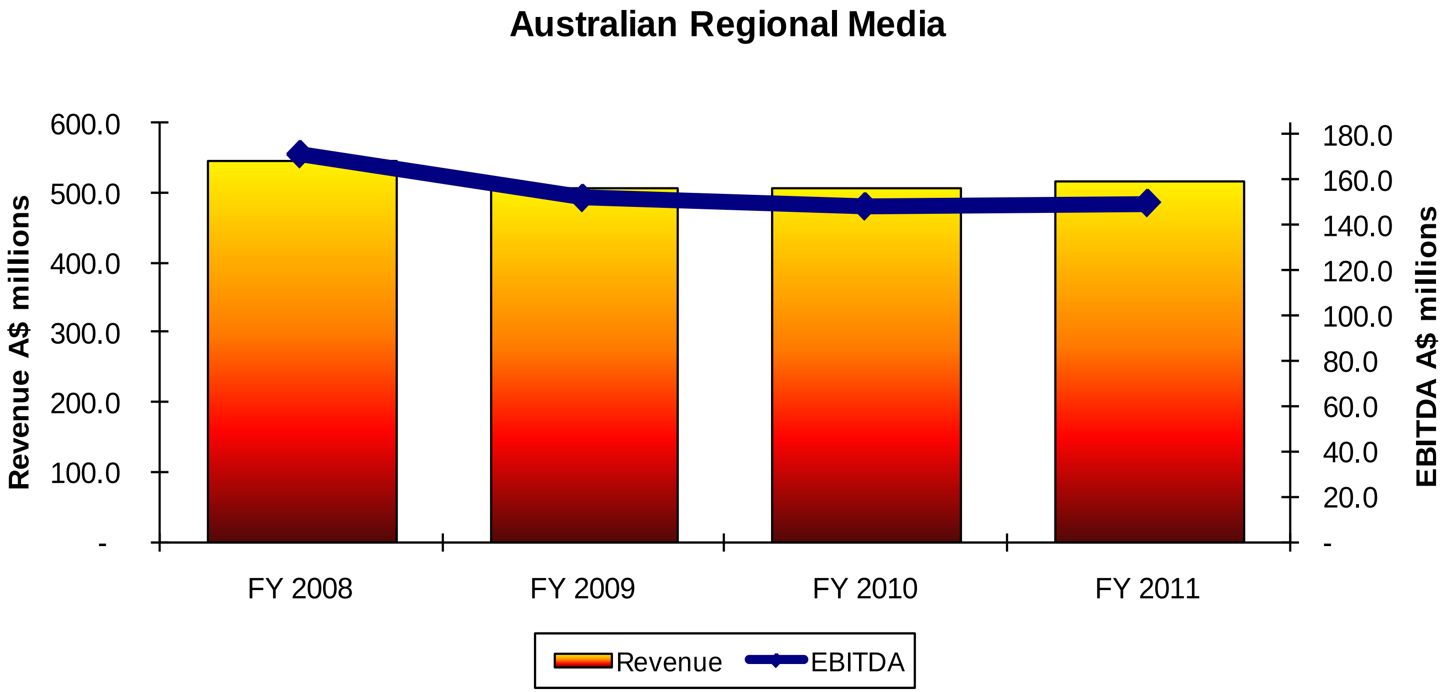
Net advertising and other revenues softened considerably during H2 but appear to be stabilising in FY12



- To October 2010:
  - Total revenue up 5.0%
  - Advertising and other revenue up 7.0%
- Consumer market softened considerably November 2010 onwards

Fairfax Media

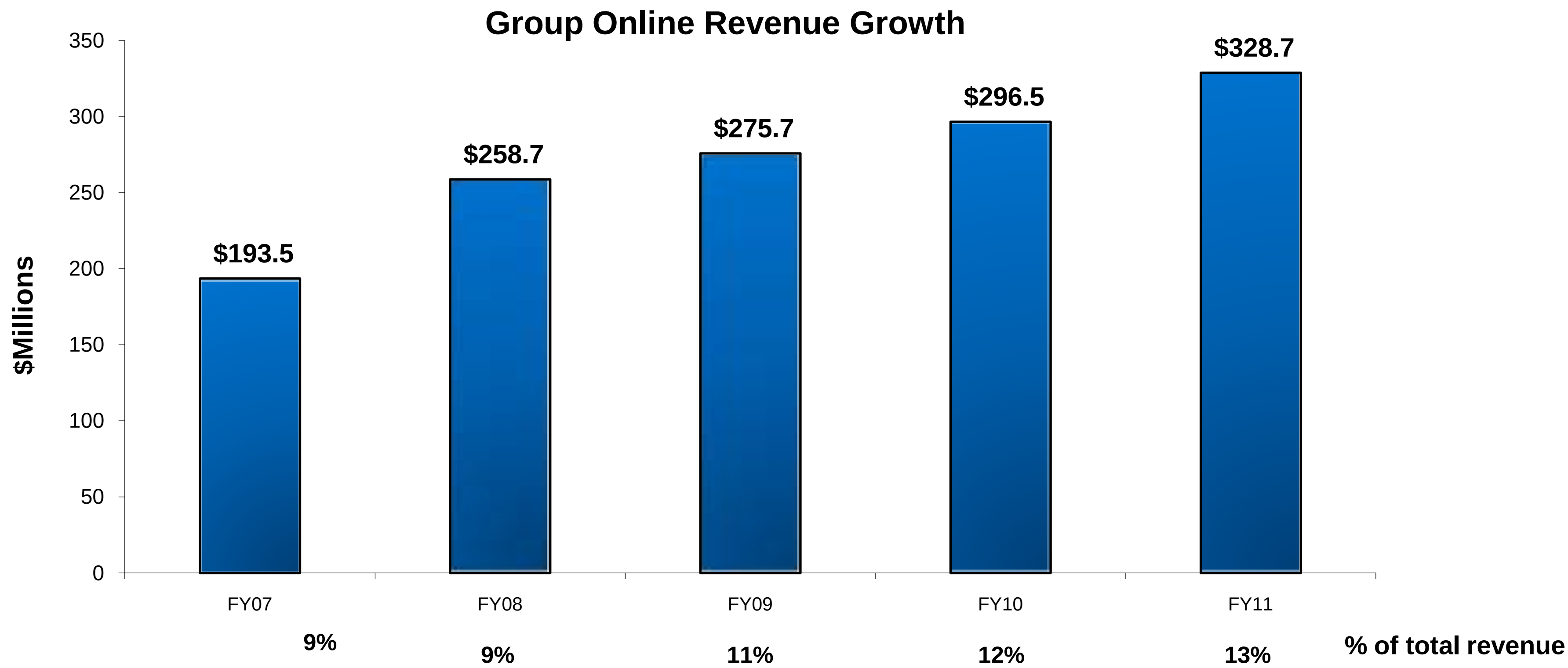
Australian Regional Media – Market leaders



- Largest regional publishing network globally
- Over 200 publications Australia wide
- On average, paid publications reach 75% of the local populations - unprecedented
- 95% of publications have own website
- Digital growth remains a key focus
- NBN will be an advantage by opening up and growing regional markets in Australia.

Fairfax Media

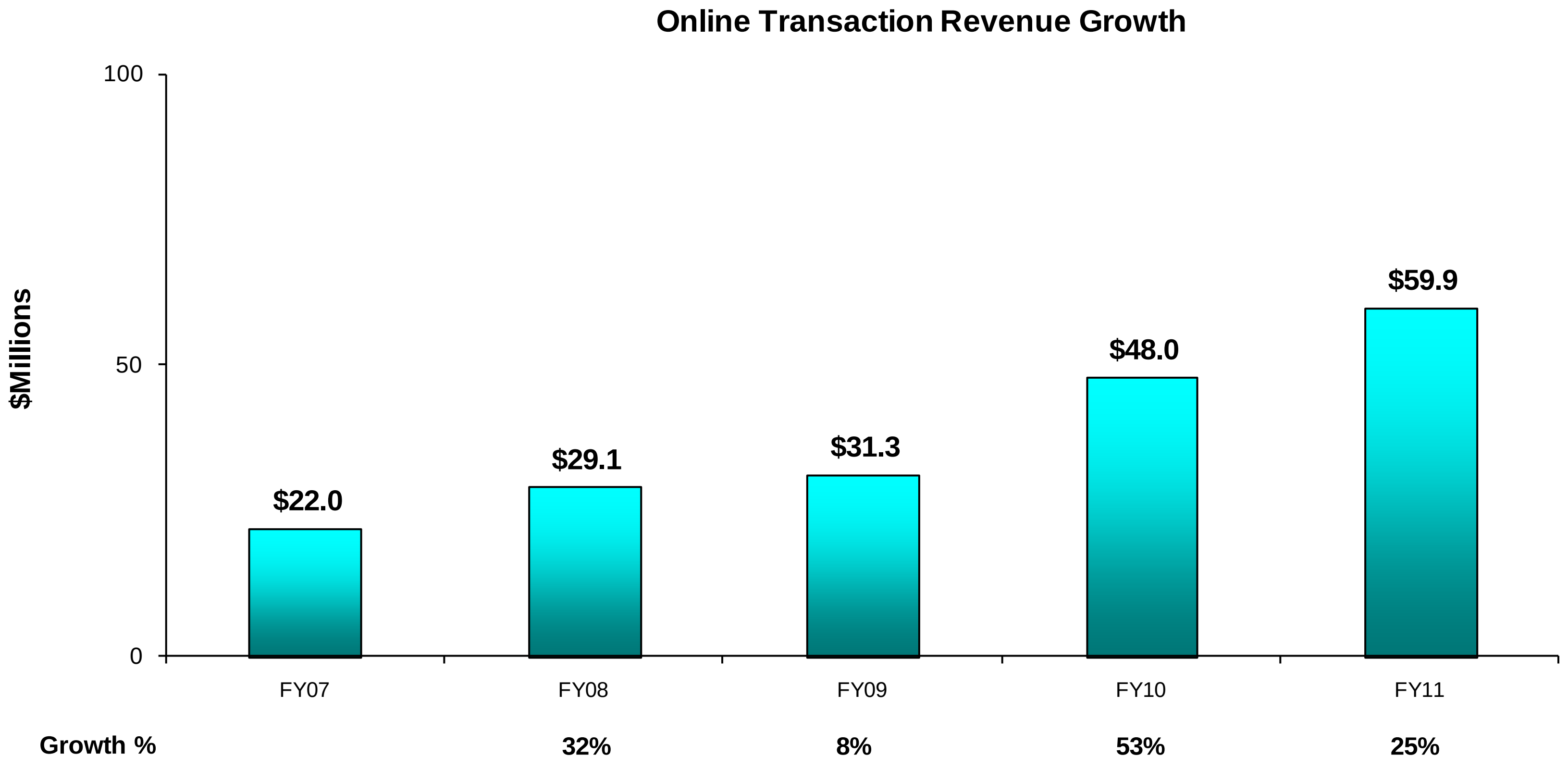
Digital revenues continued to grow strongly



- 70% growth since FY07
- Represents 13% of total revenue
- News website revenue up 9%
- Trade Me revenue up 12%
- Transactions revenue up 25%
- Metropolitan Online classifieds revenue up 5%
- Regional revenue up 43%
- Display yields up 16%

Fairfax Media

Digital Australian transaction revenues* grew strongly



* RSVP, Stayz, InvestSMART, APM, OMG, Commerce Australia, Tenderlink, Rentahome and TakeABreak

Note: Excludes Trade Me

Cost reductions are a major focus

- 10% reduction in past 3 years
- No increase in H2 costs
- Cost growth in FY11 driven by growth in digital businesses
- Publishing costs flat in FY11
- Launched $85 million Company wide cost reduction program over two years

Fairfax Media

Segment Results – Full Year

	Revenue			EBITDA		
	FY11 A$'m	FY10 A$'m	**% change**	**FY11 A$'m**	FY10 A$'m	**% change**
Australian Regional Media	**519.2**	506.6	**2.5%**	**149.5**	148.0	**1.0%**
Online - Fairfax Digital and Trade Me	**234.2**	212.4	**10.3%**	**118.3**	111.0	**6.6%**
Australian and NZ Printing	**83.2**	83.0	**0.2%**	**103.5**	111.0	**(6.8%)**
Metropolitan Media	**873.3**	895.6	**(2.5%)**	**83.3**	102.5	**(18.7%)**
New Zealand Media	**360.5**	382.3	**(5.7%)**	**67.6**	76.0	**(11.1%)**
Specialist Media	**274.7**	279.7	**(1.8%)**	**55.0**	67.2	**(18.2%)**
Broadcasting	**111.7**	109.5	**2.0%**	**26.8**	28.7	**(6.6%)**
Corporate and Other	**12.1**	15.5	**(21.9%)**	**3.4**	(5.3)	**164.2%**
Total	**2,468.9**	2,484.6	**(0.6%)**	**607.4**	639.1	**(5.0%)**

Current Trading Conditions

"Trading year to date has shown some improvement. Advertising revenues are down 4% compared to last year, and appear to be stabilising from the last quarter of the 2011 financial year when advertising revenues were down 6%.

Visibility in advertising markets still remains opaque and general economic trends do not give us confidence that we will see any significant rebound in revenues in the current half. A number of cost reduction programs are being implemented across the Company to partially offset this revenue downturn."

Fairfax Media

Group Financials

Brian Cassell, Chief Financial Officer

Significant Items

A$m	FY11	FY10
Impairment of mastheads, licences and goodwill	(649.9)	-
Impairment of property, plant and equipment	(4.0)	-
Income tax benefit	3.2	-
Total impairments, net of tax	**(650.8)**	-
Restructuring and redundancy charges	(34.2)	-
Income tax benefit	10.4	-
Total restructuring and redundancy , net of tax	**(23.8)**	-
Non-recurring tax expense resulting from changes to new Zealand tax legislation	-	(8.4)
Net significant items, net of tax	**(674.6)**	**(8.4)**

Fairfax Media

Cash Flow

A$'m	FY11	FY10
Cash In Flows		
Cash from trading	**624.3**	575.5
Proceeds from asset sales and investments	**5.7**	15.4
Net other inc exchange movements	**13.2**	(1.5)
	643.2	589.4
Cash Out Flows		
Payments for repurchase of SPS	**300.0**	-
Net finance charges	**110.9**	118.1
Tax payments	**82.0**	7.8
Investment in acquired business / ventures	**35.7**	9.0
Investment in PP&E	**57.5**	80.4
Loans (repaid) / advanced	**18.5**	(15.3)
Dividends paid	**86.6**	42.1
Employee share trust	**4.7**	-
	695.9	242.1
Net Cash (out)/in Flow	**(52.7)**	347.3
Net Debt at beginning of period	**(1,435.0)**	(1,782.3)
Net Debt at end of period (including repayment of SPS)	**(1,487.7)**	(1,435.0)

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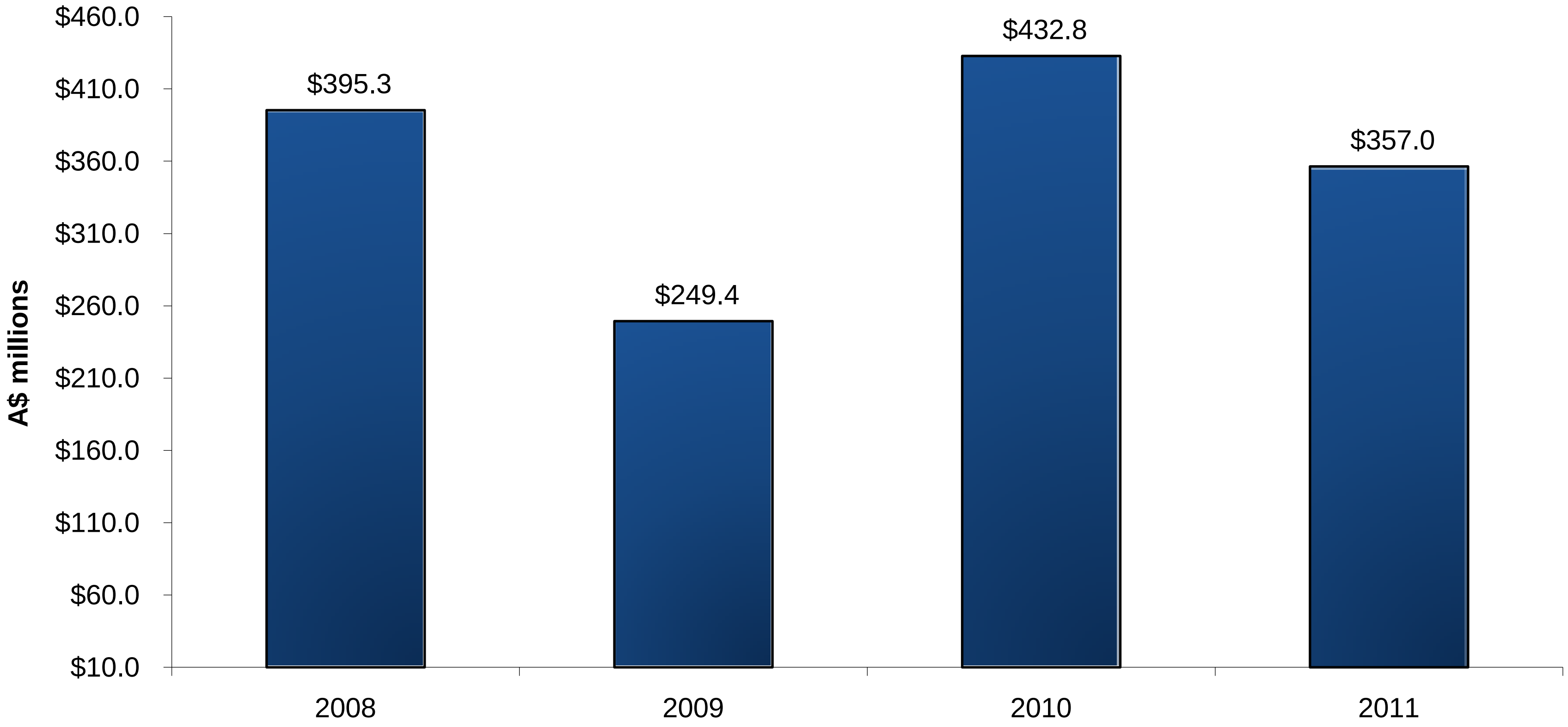
Strong Free Cash Flow*



* EBITDA less cash interest, tax and capital expenditure payments

Free cash flow resulted in significant debt reduction during FY11

	Jun 11 $Am	Dec 10 $Am	Jun 10 $Am
Current interest bearing liabilities	666.8	243.0	269.7
Non current interest bearing liabilities	865.2	1,074.1	1,208.8
Total interest bearing liabilities	1,532.0	1,317.1	1,478.5
Debt related derivatives	162.7	172.4	74.4
Cash and cash equivalents	(207.0)	(207.5)	(117.9)
Net debt for covenant purposes	**1,487.7***	**1,282.0**	**1,435.0**
Stapled Preference Shares	-	300.0	300.0
Net debt for comparative purposes	**1,487.7***	**1,582.0**	**1,735.0**

* Note: June 2011 net debt includes $300m used to redeem the SPS in April 2011. The SPS was excluded from net debt for covenant purposes at June 2010 and December 2010

On a like for like basis, net debt was reduced by $247m during FY11

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Substantial headroom exists within our covenant limits

	Actual Jun 11	Actual Dec 10	Actual Jun 10	Covenant Limits
Net debt for covenant purposes	$1,487.7m	$1,282.0m	$1,435.0m	
EBITDA (last 12 months)	$607.4m	$662.7m	$639.1m	
Net debt to EBITDA	**2.4x**	**1.9x**	**2.2x**	**4.0x max**
Net interest (last 12 months)	$108.0m	$116.7m	$128.0m	
EBITDA to net interest	**5.6x**	**5.7x**	**5.0x**	**3.25x min**

- Substantial headroom exists at June 2011:
  - EBITDA buffer of approximately $200 million at current net debt levels
  - Maximum debt headroom of $940m at current EBITDA level

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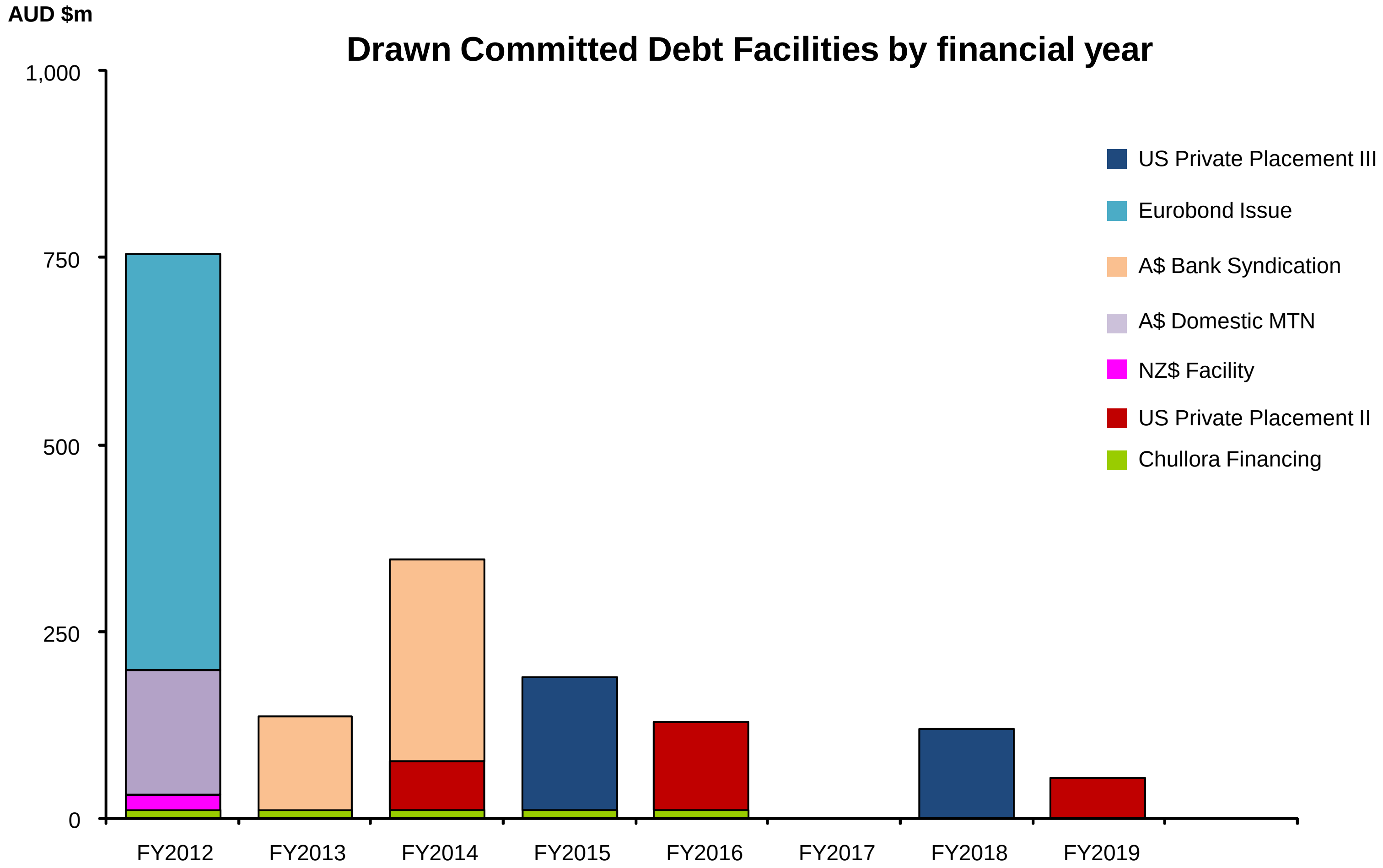
Minimal refinancing risk



FY12 maturities covered by A$987m of cash on deposit and undrawn committed facilities plus free cash flow generated from business operations (excludes asset sales proceeds)

Debt Structure

- Interest rates on drawn facilities:
  - Approximately 55% fixed; 45% floating at June 2011
  - Current average interest rate 8.2%
  - 1% change in floating interest rates equals approximately $6.7 million change in interest expense at current debt levels

- Debt levels in FY12 expected to continue to reduce in line with operating earnings post capital expenditure (excluding any potential asset sales)
  - Capital expenditure anticipated to be approximately $80 million
  - Depreciation approximately $115 to $120 million

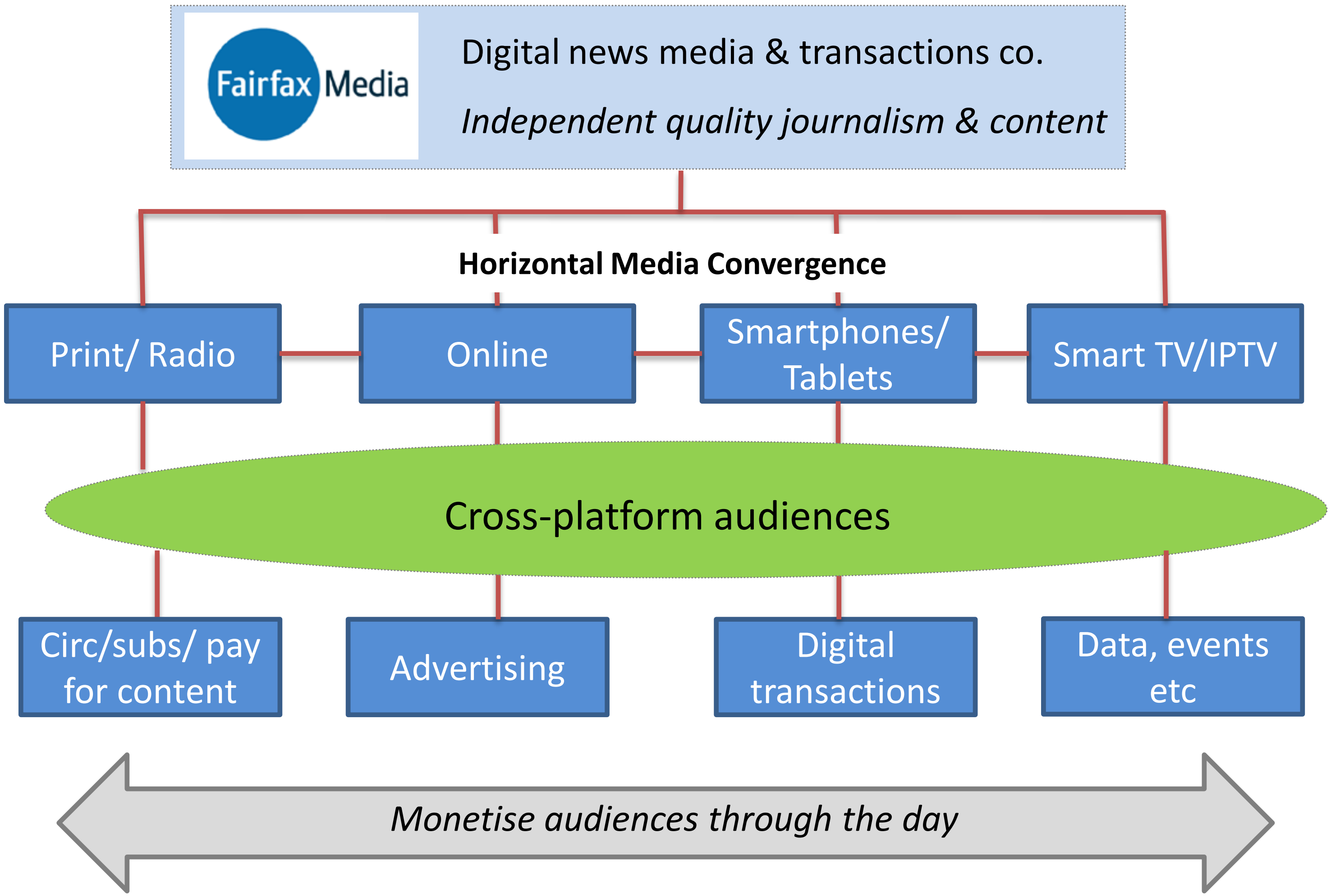
Debt Maturities in 2012 – funded from operating cash flow and unused facilities		
A$ MTN	**A$167.7 million**	**June 27 2011**
NZ$ Bank Facility	**NZ$ 50 million**	**December 2011**
Eurobond	**A$556 million**	**June 2012**

Fairfax Media

Strategy Implementation

Greg Hywood, Chief Executive Officer & Managing Director

We are the leading media multi-platform company in Australasia



At the core of our strategy is the distribution of our journalism across converging multi-platforms, and the aggregation and monetisation of audiences via multiple revenue streams

Our strategy

Be the leading multi-platform media company in Australasia and deliver long-term sustainable earnings growth to shareholders

Three key objectives	Transform the Metro business	Improve the underlying operating performance of our businesses	Reshape our businesses to lift the long-term growth rate
Seven priorities	Sustainable metro publishing business Further monetisation of content on new media platforms	Address critical business challenges Operate our businesses more strategically with a focus on performance	Expand positions in emerging growth sectors Reduce earnings volatility Invest in high-growth investment opportunities
Main focus	Metro Media	All Businesses	Group
Time horizon:	**Now**	**Ongoing**	**0 – 2 years**

Strong progress has been made in implementation of the strategy

Objective/ Status	Transform The Metros	Improve Operating Performance	Reshape our Businesses
Completed	• Metro management appointed • SMH & Age ipad apps launched • Sub-editing outsourced • Cross-platform sales launched • Cross-platform editorial workflows	• Group-wide org restructure • New executive team appointed • Continued printing rationalisation • $15m cost program in H2 FY11	• Marketplaces business puts clear focus on growth businesses • Recent acquisitions in travel & tenders
Underway	• New product development • Premium content pricing strategy • Circulation efficiencies	• Print and distribution JV opportunities being scoped • AFR strategic review • Accelerate Regional online roll-out • Various partnership opportunities under review	• Radio sales process • Trade Me IPO process • Capital management review
Next steps	• New product launches • New revenue streams in valuable categories of interest	• Relaunch classifieds positions in employment & auto • Expand bolt-on & brand opportunities (eg events, agricultural)	• Scope further synergistic digital growth opportunities • Foster innovation & start-up ventures
	$85 million cost program to be implemented over the next two years		

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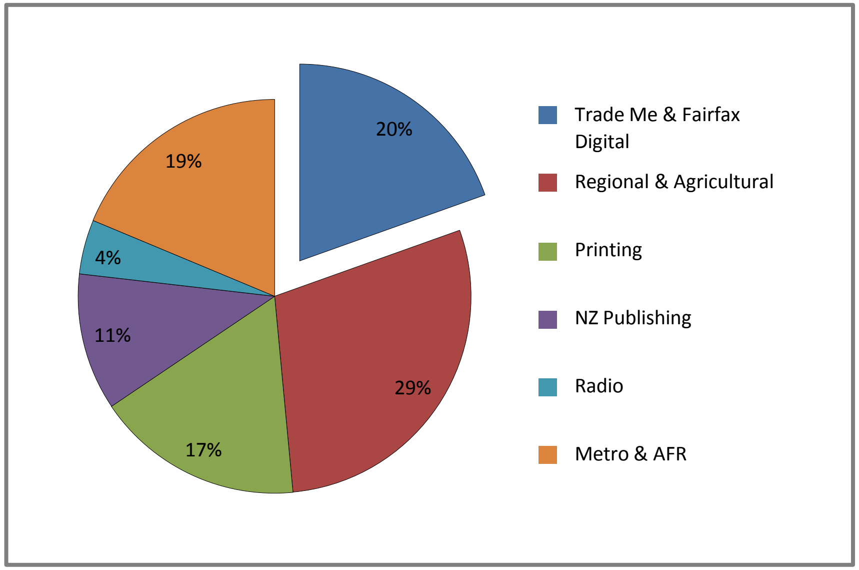
Business and earnings diversification



- Our multi-platform strategy has been effective
  - We have a diversified mix of earnings across markets and platforms
  - Diversifying and growing our earnings has partially offset the structural declines in the Metros
  - Our digital businesses are now a major contributor to group earnings and continue to display strong growth
  - The Regional and Agricultural media businesses continue to deliver solid growth and have not exhibited structural weakness

We have a good track record of acquiring and growing digital businesses

Digital acquisitions since 2005	Total Funds Employed	FY11 ROCE
Trade Me (2006)	NZ$750m	13%
Australian Digital Transactions†	$144m	18%
Australian Online Media‡	$21m	14%
Australian Digital Classifieds§	$18m	12%
Total Digital Investments	**$782m**	**14%**

- Strong record of acquiring and growing digital transaction businesses
  - Primary investment focus has been on digital transactions businesses, which have delivered very strong growth
  - ***Australian transactions businesses acquired pre-FY11 delivered a ROCE of 25%***
  - Acquisitions made in FY11 (travel and tenders) on track to deliver strong growth
- Digital businesses offer us significant earnings growth potential
  - Markets are typically large and advantaged by the structural shift to online
  - Our brands, audience, network positions, product development and marketing capabilities provide competitive advantages to digital businesses and help them gain scale

† Transactions investments include RSVP (2005), Stayz (2005), APM (2006), Commerce Aust (2006), InvestSmart (2007), OMG (2008), Tenderlink (2010), and Occupancy (2011)

‡ Media investments include Mooter (2005), Essential Baby (2007), WeatherZone (2008), The Vine (2008), Advantate (2008), and FindaBabySitter (2009)

§ Classifieds investments include Commercial RE (2006), and Country Cars (2007)

Partial float of Trade Me

- The Board has resolved to pursue a partial IPO of Trade Me, subject to acceptable market conditions
  - UBS has been appointed and preparation for the IPO is well advanced
  - Fairfax intends to sell 30-35% and retain a controlling shareholding
  - Listing on the NZ Stock Exchange
- Trade Me float is a further step in adopting a more flexible corporate structure to maximise shareholder value
  - We will retain portfolio benefits through our majority ownership
  - Alternative ownership model for Trade Me will drive value creation
- Trade Me has grown very strongly under our ownership
  - Now of sufficient scale to operate as a standalone listed company
  - Listing will increase profile and direct access to capital to pursue growth
- 100% ownership of Australian digital transaction businesses to be retained
- Trade Me will remain an important part of our digital growth strategy
- Refer to appendix B

Transforming the Metros

- The Metro brands, journalists, quality content and audience are core to the group and overall growth strategy
- Transformation of the Metros is well underway
  - A detailed plan is being executed to build a sustainable Metro business model and leverage the content across multiple platforms
  - New division established: 60+ print and digital products and 2,500 staff sit within one division across metro cities in Australia
  - Initial restructure, key appointments and sales reorganisation completed
- Future for the Metro division is positive
  - Metro division has a broad reach across a high quality audience
  - Our digital news leadership in Australia (online, smartphone and tablet), differentiates us from our international peers and will drive growth
  - Cross platform audiences support new revenue models we are building
- Details of Metro turnaround plan discussed in next section

Improving Operating Performance across the group

- Improving the operating performance of all businesses across the group is a core element of the strategy
  - Clear focus on greater innovation and business model flexibility
  - Better utilisation of existing assets to increase cost base flexibility and reduce capex requirements

- Significant improvement opportunities exist across the group and we are executing against these:
  - $85 million cost program launched
  - Printing rationalisation may deliver up to $30m of the $85 million in savings
  - Distribution – rationalisation opportunities being scoped
  - Financial Review Group – strategic review underway
  - Regional Media – increased investment in digital to leverage the NBN
  - Agricultural Media – strong platform for new digital initiatives
  - Marketplaces – further leverage digital capabilities into new verticals

New Management structure and team in place

CEO
Greg Hywood

Operating businesses

Australian Metro Media	Australian Regional Media	NZ Media	Agricultural Media	Financial Review Group	Trade Me	Marketplaces	Radio	Printing
Jack Matthews	Allan Browne	Allen Williams	Grant Cochrane	Brett Clegg*	Jon Macdonald	Nic Cola	Graham Mott	Bob Lockley

Management team: (second row of the table above)

Group functions

- **CFO** Brian Cassell
- **General Counsel** Gail Hambly
- **Corp Dev / Strategy** Chris Maher
- **HR** Michelle Williams
- **IT** Tim Mannes

* Brett Clegg commences 14 September 2011

Capital Management

- Partial IPO of Trade Me, subject to acceptable market conditions, will further improve our financial position and provide greater capital management flexibility
- Divestment of Radio assets currently in progress, subject to acceptable pricing
- Proceeds from the Trade Me IPO, and sale of Radio if completed, will be used to reduce debt enabling us to increase dividends

Metropolitan Strategy Implementation

Jack Matthews, CEO Metropolitan Media

Summary of Metro Strategy

Objectives

Audience-focused, quality journalism across platforms, driving diversified profits

Strategic Initiatives

2. Create quality content across platforms

3. Monetise audiences across platforms

4. Develop diversified profit streams around interest categories

Foundation

1. Optimise print to enable transition of Metro to new platforms

Required Capabilities

- Develop deeper understanding of our audiences
- Drive performance through aligned incentives and active performance tracking
- Attract, retain and grow talent across the business
- Invest in critical technologies to support and enable strategy execution

Strong Assets And Position To Build From

- Engaged high-quality audience
- Most trusted journalism in Australia
- Market leading mobile and tablet products
- Deep long-standing relationships with advertisers
- An energised and highly capable management team
- Print DNA built around quality content
- Digital DNA built around product innovation
- An integrated sales team that is a primary focus of this strategy

Fairfax Media

Significant Opportunities To Optimise Print

Significant opportunity exists to increase efficiencies and improve margins in our print media businesses by:

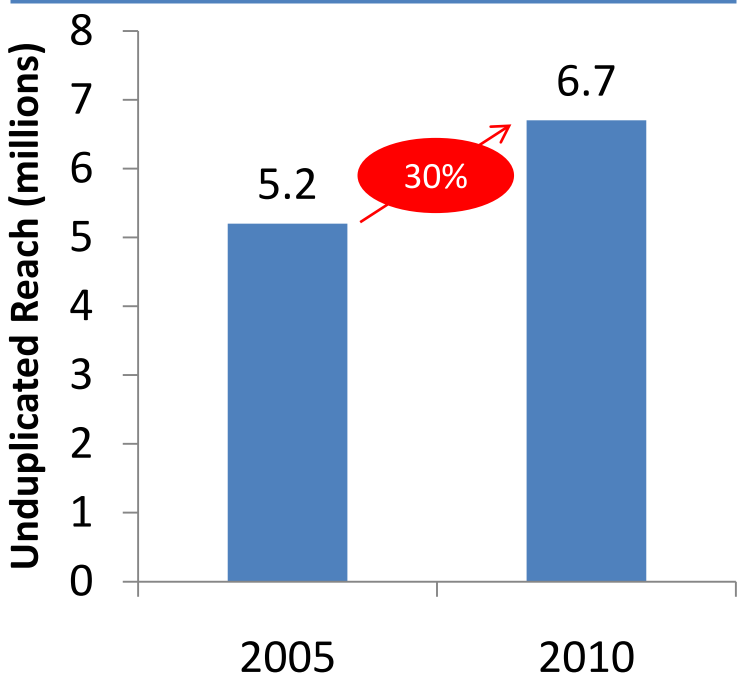
- More effectively pricing our publishing content
  - Cover price reviews, more accurate pricing of subscriptions
- Optimising our circulation footprint
  - Eliminating unprofitable routes, channels and markets
  - Discontinuing unprofitable customer acquisition efforts
- Reducing operating expenses
  - Detailed plan exists for substantial cost reductions within Metro
  - Structural changes to printing and distribution processes
  - Continue and increase focus of resources on areas of competitive advantage

Fairfax Media

Substantial Reach Across A High Quality Audience

- Total audience reach has grown 30% over the last five years
- The Metro business now reaches 6.7m unduplicated people monthly within Australia across all our platforms

Fairfax Audience Reach
2005 – 2010 (Unduplicated)



Audience Reach by Platform
(Includes Duplication Across Products)

Print	**3.1m**
Online	**5.0m**
Mobile	**1.9m**
iPad Downloads	**215k**

Source: Roy Morgan Data, Omniture and Google Analytics Tracking

Products That Engage Audiences Throughout The Day

Engagement Throughout The Weekday

6am	8am	10am	12pm	2pm	4pm	6pm	8pm	10pm
Print	**Smartphone**	**Online**	**Video**	**Sections**	**Online**	**Smartphone**	**Tablet**	**Longform**
First Look	News in brief on the go	News through the day, short and frequent	Strong video behaviours around lunch.	Mid afternoon break, lighter stories	"The Overnighter" strap directing you to longer content	Catch-up on the day's events on the way home	Downtime, longer content, deeper engagement	Late Night Viewing: PrimeTime For Long-Form Video

We will create advertising opportunities that leverage this unique reach across platforms

We will improve editorial efficiency and effectiveness by creating content across platforms

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A New Sales Strategy And Operating Model Has Been Implemented

From	To
Multiple competing sales teams with narrow platform or geographic scope	A single solution-oriented team with reach across all platforms and geographies
	A more proactive 'hunter'-oriented sales culture
Client by client deals in Print and agency deals in Digital	Agency deals based on total spend across all platforms
	A granular focus on specific profitable audiences within target segments

Our new sales strategy is receiving very positive feedback from the market

Summary

Greg Hywood, Chief Executive Officer & Managing Director

Summary

- Current trading continues to be difficult
- Strong Regional and Agricultural media businesses
- Digital revenue growing strongly
- Aggressive program of cost reductions
- Metros:
  - Have a growing audience across multi platforms.
  - With a strategy to build on this, reduce costs and increase revenues.
- Strong balance sheet and cashflows
- In the process of further reducing debt

2011 Full Year Results

For the twelve months ended 26 June 2011

Appendix A

Group Trading Performance
Segment Results – Full Year and H2
Detailed Business Segment Performances

Group Trading Performance

	Underlying Trading Performance			Significant Items		As Reported		
	FY11 A$'m	FY10 A$'m	**% change**	**FY11 A$'m**	FY10 A$'m	**FY11 A$'m**	FY10 A$'m	**% change**
Revenue	**2,465.5**	2,482.4	(0.7%)	-	-	**2,465.5**	2,482.4	(0.7%)
Associate Profits	**3.4**	2.2	52.8%	-	-	**3.4**	2.2	52.8%
Costs	**1,861.5**	1,845.5	(0.9%)	**688.1**	-	**2,549.6**	1,845.5	(38.2%)
EBITDA	**607.4**	639.1	(5.0%)	**(688.1)**	-	**(80.7)**	639.1	(112.6%)
Depreciation	**114.4**	113.7	(0.6%)	-	-	**114.4**	113.7	(0.6%)
EBIT	**493.1**	525.4	(6.1%)	**(688.1)**	-	**(195.0)**	525.4	(137.1%)

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Group Trading Performance (cont'd)

	Underlying Trading Performance			Significant Items		As Reported		
	FY11 A$'m	FY10 A$'m	**% change**	**FY11 A$'m**	FY10 A$'m	**FY11 A$'m**	FY10 A$'m	**% change**
EBIT	**493.1**	525.4	(6.1%)	**(688.1)**	-	**(195.0)**	525.4	(137.1%)
Net Interest	**108.0**	128.0	(15.6%)	**-**	-	**108.0**	128.0	15.6%
Profit before tax	**385.1**	397.4	(3.1%)	**(688.1)**	-	**(303.1)**	397.4	(176.3%)
Tax	**100.1**	106.7	(6.2%)	**13.5**	8.4	**86.6**	115.1	24.8%
Net Profit	**285.0**	290.7	(2.0%)	**(674.6)**	(8.4)	**(389.7)**	282.3	(238.0%)
Outside Equity Interest	**1.2**	0.2	-	**-**	-	**1.2**	0.2	-
Net Profit after tax	**283.8**	290.5	(2.3%)	**(674.6)**	(8.4)	**(390.9)**	282.1	(238.6%)
SPS Dividend (net of tax)	**10.0**	11.8	(15.0%)	**-**	-	**10.0**	11.8	(15.0%)
Net Profit after tax and SPS	**273.7**	278.7	(1.8%)	**(674.6)**	(8.4)	**(400.9)**	270.3	(248.3%)
WANOS	**2,352.0**	2,352.0	-			**2,352.0**	2,352.0	-
Earnings per share (cents)	**11.6**	11.8	(1.4%)			**(17.0)**	11.5	(248.2%)

Fairfax Media

Segment Results – Second Half

	Revenue			EBITDA		
	FY11 H2	FY10 H2	**% change**	**FY11 H2 A$'m**	FY10 H2 A$'m	**% change**
Australian Regional Media	**249.0**	250.8	**(0.7%)**	**67.2**	73.1	**(8.1%)**
Online - Fairfax Digital and Trade Me	**120.0**	110.7	**8.4%**	**60.3**	58.0	**4.0%**
Australian and NZ Printing	**38.7**	39.7	**(2.5%)**	**46.8**	53.4	**(12.4%)**
Metropolitan Media	**406.7**	438.1	**(7.2%)**	**23.2**	48.1	**(51.8%)**
New Zealand Media	**168.2**	186.9	**(10.0%)**	**26.9**	38.1	**(29.4%)**
Specialist Media	**127.1**	137.0	**(7.2%)**	**19.6**	31.0	**(36.8%)**
Broadcasting	**54.2**	54.1	**0.2%**	**11.2**	12.8	**(12.5%)**
Corporate & Other	**5.9**	8.0	**(26.3%)**	**5.2**	1.3	**300.0%**
Total	**1,169.8**	1,225.3	**(4.5%)**	**260.4**	315.8	**(17.5%)**

Australian Regional Media

Comprises Australian Regional, ACT, Illawarra, Seniors and Newcastle Publishing

	FY11 A$'m	FY10 A$'m	% change
Advertising	**403.8**	391.8	3.1%
Circulation	**97.0**	98.6	(1.6%)
Other	**20.5**	28.8	(28.8%)
Total Gross Revenue	**521.3**	519.2	0.4%
Internal Revenue	**(2.1)**	(12.6)	-
Net Revenue	**519.2**	506.6	2.5%
Costs	**369.7**	358.6	3.1%
EBITDA	**149.5**	148.0	1.0%
EBIT	**143.0**	140.8	1.6%

- Advertising markets:
  - National, Real Estate and Employment stronger
  - Retail softer
- Online revenue grew 43% to $8 million

- Cost growth mainly due to increased promotion spend, introduction of gloss real estate section in Canberra and headcount increase in online sales and development
- Launch of www.jobs.com.au in regional areas successful. Monthly revenue increasing strongly.

Fairfax Media

Online

Comprises Trade Me New Zealand and Fairfax Digital Australia news and transaction sites

	FY11 A$'m	FY10 A$'m	% change
Advertising	**117.6**	109.2	7.7%
Other	**116.7**	103.3	13.0%
Total Gross Revenue	**234.3**	212.5	10.3%
Internal Revenue	**(0.1)**	(0.1)	
Net Revenue	**234.2**	212.4	10.3%
Costs	**115.9**	101.4	(14.3%)
EBITDA	**118.3**	111.0	6.6%
EBIT	**102.0**	99.4	2.6%

Fairfax Media

Online

Comprises Trade Me New Zealand and Fairfax Digital Australia news and transaction sites

Trade Me (NZ $)	
Revenue increased	11.5%
EBITDA increased	9.4% to $NZ99.2 million

- Maintains dominant market position
- Strong revenue growth across all categories
- Further growth initiatives being developed
- Costs increased to invest in customer services and product development
- Employment traffic and revenue continue to grow strongly

Fairfax Digital		Like-for-like*
Revenue increased	8.6%	11.8%
EBITDA increased	9.0%	18.3%

- Digital advertising markets remained strong although did soften towards the end of the half
- Media revenue up 9%
- New ad serving technology installed to allow behavioural targeting
- Transactions revenue up 25%
- All transaction sites recorded strong revenue and earnings growth
- TenderLink and Occupancy acquisitions performing as expected and growing market share

*Like-for-like adjustment relates to revenue and EBITDA transferred to other segments

Printing Operations

Comprises 15 Australian and 8 NZ printing centres

	FY11 A$'m	FY10 A$'m	% change
Total Gross Revenue	**539.4**	535.9	0.7%
Internal Revenue	**(456.2)**	(452.9)	0.7%
Net Revenue	**83.2**	83.0	0.2%
Costs	**(20.3)**	(28.0)	(27.5%)
EBITDA	**103.5**	111.0	(6.8%)
EBIT	**41.3**	44.1	(6.3%)

- Volume increases from existing clients offset some client losses
- Mandurah $8.5 million upgrade completed during 4th quarter
- Growing third party distributions business increasing utilisation of distribution infrastructure

Fairfax Media

Metropolitan Media

Comprises Sydney & Melbourne metro newspapers and magazines, community publications and Print & Online classifieds

	FY11 A$'m	FY10 A$'m	% change
Advertising	**703.2**	725.9	(3.1%)
Circulation	**132.5**	140.8	(5.9%)
Other	**38.8**	30.0	29.3%
Total Gross Revenue	**874.5**	896.7	(2.5%)
Internal Revenue	**(1.2)**	(1.1)	
Net Revenue	**873.3**	895.6	(2.5%)
Costs	**790.0**	793.1	0.4%
EBITDA	**83.3**	102.5	(18.7%)
EBIT	**70.7**	90.4	(21.8%)

- The metropolitan newspapers - Sydney Morning Herald and The Age:
  - Total Revenue flat with EBITDA down 5%
  - Real Estate revenue up 8%
  - Employment and Motors revenue down 8% and 7% respectively
  - Retail revenue down 17%
  - National revenue up 5%
- Fairfax Community Network papers revenue and earnings declined due to increased competition in Melbourne.
- Magazine revenue down 15% (like-for-like)
- Metropolitan classifieds online revenue up 5%, strong real estate growth offset weakness in employment and motors
- Strong cost disciplines in place. Further cost efficiencies planned
- Rationalising of loss making publications
- Classifieds elevated to CEO direct report - will increase focus/attention

Fairfax Media

New Zealand Media

97 newspaper and magazine publications and 19 websites

	FY11 A$'m	FY10 A$'m	% change
Advertising	**247.9**	263.0	(5.7%)
Circulation	**105.0**	112.4	(6.6%)
Other	**8.5**	7.9	7.6%
Total Gross Revenue	**361.4**	383.3	(5.7%)
Internal Revenue	**(0.9)**	(1.0)	(10.0%)
Net Revenue	**360.5**	382.3	(5.7%)
Costs	**292.9**	306.3	4.4%
EBITDA	**67.6**	76.0	(11.1%)
EBIT	**58.5**	66.5	(12.0%)

- General economic conditions remain challenging
- Employment conditions across metropolitan markets tough; regionals reflecting some gains
- Circulation affected by rise in GST
- Online and mobile display revenue grew 41% to NZ$10 million

Fairfax Media

Specialist Media

Comprises Financial Review Group & Australia, NZ and USA Agricultural Publications

	FY11 A$'m	FY10 A$'m	**% change**
Advertising	**181.9**	182.4	(0.3%)
Circulation	**70.2**	75.5	(7.0%)
Other	**22.7**	21.9	3.7%
Total Gross Revenue	**274.8**	279.8	(1.8%)
Internal Revenue	**(0.1)**	(0.1)	-
Net Revenue	**274.7**	279.7	(1.8%)
Costs	**219.7**	212.5	(3.4%)
EBITDA	**55.0**	67.2	(18.2%)
EBIT	**50.7**	63.9	(20.7%)

Fairfax Media

Specialist Media

Comprises Financial Review Group & Australia, NZ and USA Agricultural Publications

Agricultural Publishing	
Revenue increased	2.4%
EBITDA increased	3.3%

- On a constant currency basis, revenue up 5.7% and EBITDA 5.4%.
- Stronger advertising revenue offset slightly lower circulation revenue
- Good market conditions in eastern states offsetting extensive dry conditions in West Australia
- USA performing very strongly. Record year
- Developing online initiatives in livestock category

Financial Review Group	
Revenue decreased	2.7%
EBITDA decreased	51.7%

- Advertising revenue increased 1.4%
- Circulation revenue down 8.0%
- AFR.com revenue up 23%
- Costs up 7.2% due to additional investment in new initiatives and increased promotional expenses

Broadcasting

Comprises Metropolitan and Regional radio stations

	FY11 A$'m	FY10 A$'m	% change
Advertising	**106.8**	105.1	1.6%
Other	**4.9**	4.4	11.4%
Total Gross Revenue	**111.7**	109.5	2.0%
Internal Revenue	**-**	-	-
Net Revenue	**111.7**	109.5	2.0%
Costs	**84.9**	80.8	5.1%
EBITDA	**26.8**	28.7	(6.6%)
EBIT	**24.2**	26.8	(9.7%)

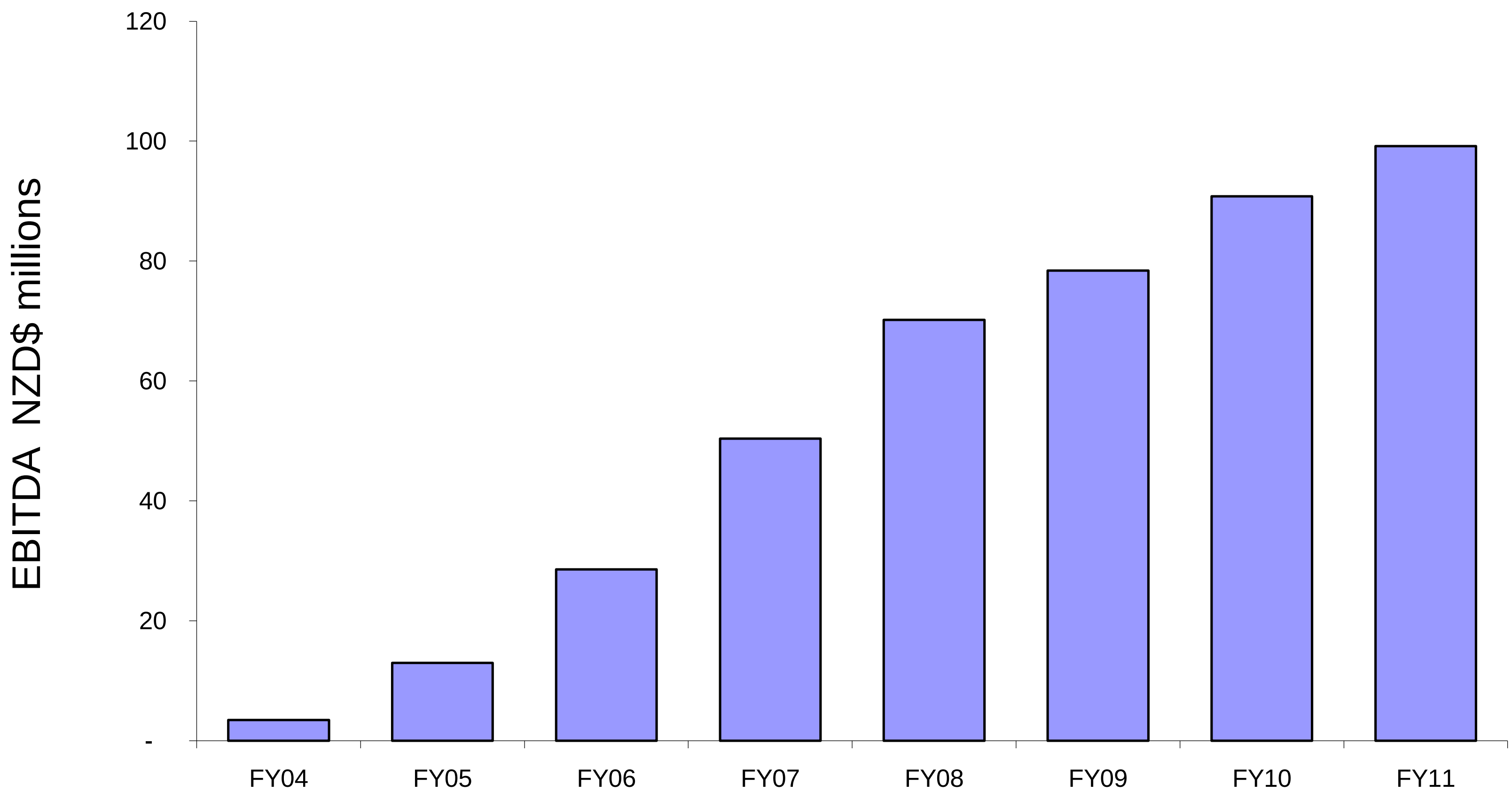
- 3AW, Magic 1278 and 6PR all recorded strong revenue growth
- New on-air line up 2UE have improved ratings
- Like-for-like costs up 2.5%, reported increase includes internal rent allocation
- Regional radio improved revenue 3% but EBIT down10%

Fairfax Media

Appendix B

Overview of Trade Me

Sustained earnings growth



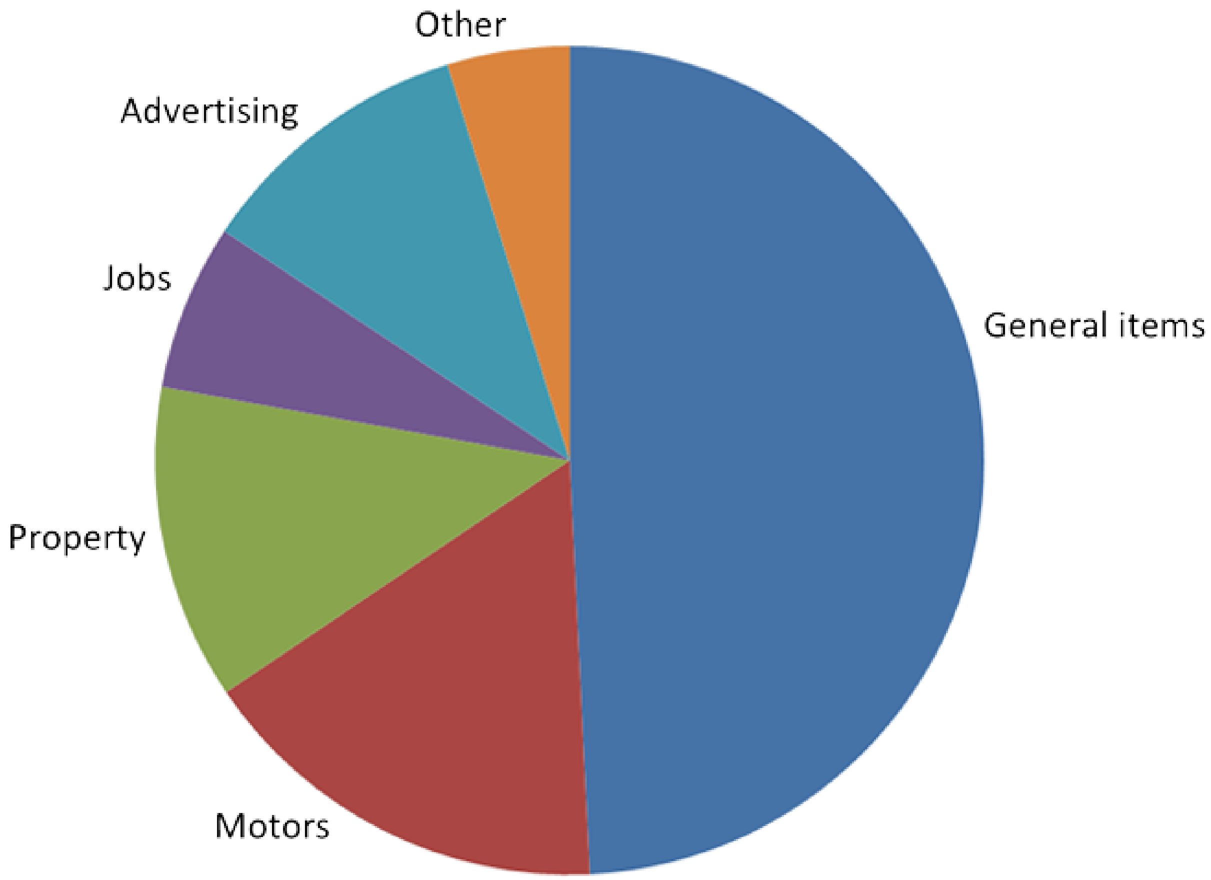
Fairfax Media

trade me
Where Kiwis Buy and Sell

Current position - summary

- Dominant in the NZ internet
- Market leader in:
  - Auctions
  - Motors Classifieds
  - Property Classifieds
- Strong in:
  - Employment
  - Display Advertising
  - Travel
  - Dating

Trade Me revenue base



General items include:

- Home & living
- Electronics & computing
- Farming, industry & renovation
- Sports, toys & models
- Motors, parts & accessories
- Clothing & baby
- Antiques, collectibles & crafts
- Movies, TV, books & music
- Jewellery, health & beauty

Fairfax Media

trademe
Where Kiwis Buy and Sell