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EQUITY RAISING

– RETAIL ENTITLEMENT OFFER

DETAILS OF A 3 FOR 5 NON-RENOUNCEABLE
PRO-RATA ENTITLEMENT OFFER OF FAIRFAX
MEDIA ORDINARY SHARES ("NEW SHARES") AT
AN OFFER PRICE OF \$0.75 PER NEW SHARE

THIS ENTITLEMENT OFFER CLOSSES AT 5.00PM
(AEDT) ON FRIDAY, 27 MARCH 2009

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STOCK EXCHANGE LISTING

The Company's ordinary shares are listed on the Australian Securities Exchange Limited – "FXJ". The Stapled Preference Securities (Fairfax SPS) are listed on the Australian Securities Exchange Limited – "FXJPB".

The NZ redeemable preference shares are listed on the New Zealand Debt Exchange – "FXFFA".

WEBSITE

Corporate information and the Fairfax Annual Report can be found via the Company's website at www.fxj.com.au.

The Company's family of websites can be accessed through www.fairfax.com.au.

Fairfax Media Shareholder Information Line

» Australia 1300 888 062

» International +61 2 8280 7670

Open 8.30am to 5.30pm (AEDT) Monday to Friday
during the Retail Entitlement Offer period.

CHAIRMAN'S LETTER

4 March 2009

Dear Shareholder,

Fairfax Media Equity Raising – Retail Entitlement Offer

On behalf of Fairfax Media Limited ("Fairfax Media"), I am pleased to invite you to participate in a 3 for 5 non-renounceable pro-rata entitlement offer of Fairfax Media ordinary shares ("New Shares") at an offer price of \$0.75 per New Share (the "Entitlement Offer"). New Shares issued under the Entitlement Offer will not be entitled to the FY2009 interim dividend of \$0.02 per share but will otherwise rank pari passu with existing shares.

On 27 February 2009, Fairfax Media announced its intention to raise up to \$684 million through an Entitlement Offer. On 2 March 2009, Fairfax Media announced that it had successfully raised approximately \$500 million through the institutional component of the Entitlement Offer with very strong support from institutional shareholders.

This letter relates to the retail component of the Entitlement Offer ("Retail Entitlement Offer"), which has the potential to raise approximately a further \$184 million if fully subscribed. The Retail Entitlement Offer is not underwritten.

The structure of the equity raising is in the form of a pro-rata entitlement offer, providing the opportunity for all eligible Shareholders to participate.

The Board's decision to raise new equity at this time included consideration of market feedback following our interim results presentation on 23 February 2009. The proceeds from the Entitlement Offer will be used to pay down a substantial portion of Fairfax Media's syndicated bank facility (AUD denominated) maturing in 2011 and 2012.

This Booklet contains a number of important documents, including:

- » Key Dates for the Retail Entitlement Offer;
- » ASX Offer Announcements;
- » Instructions on "How to Apply" setting out how to accept all or part of your entitlement or apply for additional New Shares in the Retail Entitlement Offer if you choose to do so; and
- » Important Information.

This Booklet also encloses an Entitlement and Acceptance Form which details your entitlement, to be completed in accordance with the instructions provided on the form and the instructions on "How to Apply".

It is important to note that the Retail Entitlement Offer closes at 5.00pm (AEDT) on Friday 27 March 2009. To participate, you need to ensure that your completed Entitlement and Acceptance Form is received by Fairfax Media before this time and date OR you have paid your application monies via BPAY pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

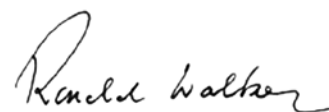
Please refer to the instructions on "How to Apply" that accompany this letter for further information.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of those entitlements they do not take up.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

For further information regarding the Retail Entitlement Offer, please call the Fairfax Media Shareholder Offer Information Line on 1300 888 062 (local call cost from within Australia) or +61 2 8280 7670 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period or visit our website at www.fxj.com.au.

On behalf of the Board of Fairfax Media, I invite you to consider this investment opportunity and thank you for your ongoing support of our company.



Ronald Walker
Chairman

Forward looking statements, opinions and estimates provided in this letter are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This letter, and the accompanying ASX announcement, retail information booklet and Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"). The New Shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from or not subject to the registration requirements of the Securities Act.

KEY DATES FOR THE RETAIL ENTITLEMENT OFFER

EVENT	DATE
Record Date for the Entitlement Offer	7.00pm (AEDT) on 3 March 2009
Retail Entitlement Offer opens	4 March 2009
Mailing of Entitlement and Acceptance Form to Eligible Retail Shareholders	Completed by 9 March 2009
Retail Entitlement Offer closes	5.00pm (AEDT) on 27 March 2009
Settlement of the Retail Entitlement Offer	3 April 2009
Issue of New Shares under the Retail Entitlement Offer	6 April 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	7 April 2009
Dispatch of holding statements	8 April 2009

Note: Dates and times are indicative only and subject to change. All times and dates refer to Australian Eastern Daylight Time ("AEDT")

Applicants are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Fairfax Media reserves the right, subject to the Corporations Act 2001 (Cth) ("Corporations Act"), ASX Listing Rules and other applicable laws to vary the dates of the Retail Entitlement Offer, including extending the Retail Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. No cooling off rights apply to the Retail Entitlement Offer.

ENQUIRIES

If you have any questions, please call the Fairfax Media Shareholder Information Line on 1300 888 062 (local call cost within Australia) or +61 2 8280 7670 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period, or consult your stockbroker, accountant or other independent professional adviser.

Website: www.fxj.com.au



SYDNEY, 27 FEBRUARY 2009

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

**FAIRFAX MEDIA ANNOUNCES NON-RENOUNCEABLE ENTITLEMENT OFFER
TO RAISE UP TO \$684 MILLION**

KEY POINTS

- Fairfax Media today launched an equity raising of up to \$684 million by way of a 3 for 5 accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer"), at an offer price of \$0.75 per share.
- \$450 million of the equity raising is committed:
 - \$438 million of the Entitlement Offer is underwritten.
 - In addition, Fairfax Media's largest shareholder, Marinya Media, has confirmed its support for the capital raising and has committed to take up \$12 million of its entitlement, equivalent to 16 million shares.
- Fairfax Media intends to use the proceeds of the Entitlement Offer to pay down a substantial portion of the syndicated bank facility (AUD denominated) maturing in 2011 and 2012 (refer Annexure D).
- This debt reduction provides Fairfax Media with further headroom under its covenants and reduces net interest costs.

Fairfax Media Chairman, Ronald Walker, said "As previously disclosed, the Board has kept the capital position of the Company under constant review. Our decision to raise new capital at this time is in response to market feedback following our results presentation this week. It has become clear to us that in these extremely unstable times our shareholders are supportive of improving our balance sheet position."

CEO and Managing Director Brian McCarthy said "The Entitlement Offer announced today places Fairfax Media in a much stronger financial position in the current climate of economic uncertainty and volatile market conditions and should alleviate continuing market concerns about our capital structure."

"Following a review of the options available to strengthen Fairfax Media's balance sheet, the Board believes that this Entitlement Offer is an equitable alternative for all shareholders."

ASX OFFER ANNOUNCEMENTS (continued)

ENTITLEMENT OFFER

Fairfax Media has commenced an accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer"), at an offer price of \$0.75 per share. The Entitlement Offer will be conducted on the basis of 3 new Fairfax Media ordinary shares ("New Shares") for every 5 existing Fairfax Media ordinary shares ("Shares") held ("Entitlement") at 7.00pm AEDT on Tuesday, 3 March 2009 ("Record Date").¹

After adjusting for the announced FY2009 interim dividend of \$0.02 per share, the offer price of \$0.75 per "New Share" represents a 17.6% per cent discount to the closing price of Shares on 25 February 2009². New Shares issued under the Entitlement Offer will not be entitled to the FY2009 interim dividend but will otherwise rank pari passu with issued ordinary shares.

The Entitlement Offer is comprised of an institutional component ("Institutional Entitlement Offer") and an offer to eligible retail shareholders to participate on the same terms ("Retail Entitlement Offer").

For the Institutional Entitlement Offer, New Shares equal in number to those not taken up by Fairfax Media's eligible institutional shareholders and those which would otherwise have been offered to ineligible institutional shareholders will be offered for subscription to eligible institutional shareholders and selected institutional investors through a volume bookbuild process at the offer price of \$0.75 per New Share.

Fairfax Media expects to announce the outcome of the Institutional Entitlement Offer to the market prior to the start of trading on 2 March 2009, with trading expected to resume at commencement of trading on ASX on that date.

Further details of the Entitlement Offer and the timetable are included in Annexure A to this announcement.

DEBT REDUCTION

The proceeds of the Entitlement Offer will be used to pay down a substantial portion of the syndicated bank facility (AUD denominated) maturing in FY2011 and FY2012. The net minimum proceeds of the Entitlement Offer would reduce Fairfax Media's net debt for covenant purposes on a pro forma basis at 28 December 2008 from \$2.5 billion to approximately \$2.1 billion.

¹ For the purposes of determining entitlements under the Entitlement Offer, Fairfax Media will disregard transactions in Shares after implementation of the trading halt in Fairfax Media shares on 26 February 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt. The underwriting agreement includes a number of customary termination events.

² Being the last day of trading prior to the announcement of the Entitlement Offer.

Based on the committed proceeds amount of \$450 million and the associated debt reduction, the pro forma impact on key covenants based upon a trailing 12 months EBITDA and net interest, will be as follows:

	Pre Offer	Post Offer	Covenant Limits
Net debt ³ to EBITDA	3.2x	2.7x	4.0x max
EBITDA to net interest	3.9x	4.3x	3.25x min

At 100% acceptance of the Entitlement Offer and the associated debt reduction amount of \$684 million, the pro forma impact on key covenants based upon a trailing 12 months EBITDA and net interest, will be as follows:

	Pre Offer	Post Offer	Covenant Limits
Net debt ³ to EBITDA	3.2x	2.4x	4.0x max
EBITDA to net interest	3.9x	4.5x	3.25x min

It is unlikely that Fairfax Media will achieve 100% acceptance from all shareholders.

OUTLOOK

Fairfax Media reconfirms the current trading conditions outlined in its half year results on 23 February 2009.

SHAREHOLDER ENQUIRIES

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Fairfax Media Shareholder Information Line on 1300 888 062 (local call cost within Australia) or +61 2 8280 7670 (from outside Australia) at any time from 8.30 am to 5.30 pm (AEDT) Monday to Friday or go to our website at www.fxj.com.au.

Contact:

Frank Sufferini
General Manager Investor Relations
+61 2 9282 3846

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This press release does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The shares have not been registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This press release and its attachments include "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Fairfax Media Limited, and its officers, employees, agents or associates, including risks associated with the ability of Fairfax Media Limited to raise equity in the Retail Entitlement Offer and other risks described in Annexure B. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Fairfax Media Limited assumes no obligation to update such information.

³ Pro forma net debt as at 28 December 2008

ASX OFFER ANNOUNCEMENTS (continued)

ANNEXURE A - OFFER TIMETABLE

Event	Date
Institutional Entitlement Offer opens	8.30am (AEDT) on 27 February 2009
Institutional Entitlement Bookbuild	27 February 2009
Institutional Entitlement Offer closes (Australia/Asia)	3.00pm (AEDT) on 27 February 2009
Institutional Entitlement Offer closes (Europe/North America)	6.00am (AEDT) on 28 February 2009
Record Date for the Entitlement Offer	7:00pm (AEDT) on 3 March 2009
Retail Entitlement Offer opens	4 March 2009
Mailing of Entitlement and Acceptance Form to Eligible Retail Shareholders	Completed by 9 March 2009
Settlement of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild	12 March 2009
Issue of New Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and normal trading of those shares expected to commence on ASX	13 March 2009
Retail Entitlement Offer closes	5:00pm (AEDT) on 27 March 2009
Settlement of the Retail Entitlement Offer	3 April 2009
Issue of New Shares under the Retail Entitlement Offer	6 April 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	7 April 2009
Dispatch of holding statements	8 April 2009

Note: Dates and times are indicative only and subject to change. All times and dates refer to AEDT.

OFFER STRUCTURE

The Entitlement Offer is non-renounceable. Entitlements cannot be traded on the ASX nor otherwise transferred. This means that Fairfax Media shareholders who do not take up their entitlement to participate in the Entitlement Offer will not receive any value for those entitlements and their equity interest in Fairfax Media will be diluted.

Institutional Entitlement Offer

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer on 27 February 2009. Eligible Institutional Shareholders who receive such an invitation will not be eligible to participate in the Retail Entitlement Offer.

Eligible Institutional Shareholders can choose to take up or not take up all or part of their Entitlements. Elections in regard to Entitlements need to be advised prior to 3.00pm (AEDT) on 27 February 2009 for Australia/Asia Eligible Institutional Shareholders and 6.00am (AEDT) on 28 February 2009 for Europe/North America Eligible Institutional Shareholders. New Shares equal in number to those not taken up by Eligible Institutional Shareholders and those which would otherwise have been offered to Ineligible Institutional Shareholders will be offered for subscription to eligible institutional shareholders and selected institutional investors through a volume bookbuild process at the offer price of \$0.75 per New Share.

Retail Entitlement Offer

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9:00am (AEDT) on 4 March 2009 and close at 5:00pm (AEDT) on 27 March 2009.

ELIGIBLE RETAIL SHAREHOLDERS

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7:00pm AEDT on Tuesday 3 March 2009 (the "Record Date");
- have a registered address in Australia or New Zealand;
- are not in the United States and are not, and are not acting for the account or benefit of, any U.S Person;
- are not an Eligible Institutional Shareholder who was invited to participate in the Institutional Entitlement Offer;
- are not an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Retail Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Retail Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand.

STOCK LENDING

Eligible shareholders will be entitled to apply for 3 New Shares for every 5 Shares held as at 7.00pm (AEDT) on the Record Date, 3 March 2009. In the event a Fairfax Media shareholder has Fairfax Media ordinary shares out on loan, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold).

ASX OFFER ANNOUNCEMENTS (continued)

ANNEXURE B – RISK DISCLOSURE

1.1 Introduction

A number of risks and uncertainties, which are both specific to Fairfax Media and of a more general nature, may affect the future operating and financial performance of Fairfax Media and the value of Fairfax Media shares. You should carefully consider the following risk factors, as well as the other information provided by Fairfax Media in connection with the Entitlement Offer, and consult your financial and legal advisers before deciding whether to invest in the New Shares. The risks and uncertainties described below are not the only ones facing Fairfax Media. Additional risks and uncertainties that Fairfax Media is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Fairfax Media's operating and financial performance.

1.2 Operational risks

a) Global economic downturn

At present, the global economy is experiencing a range of adverse effects and any further deterioration in global economic conditions may adversely impact the operating and financial performance of Fairfax Media.

In particular, Fairfax Media's operating and financial performance may be adversely impacted by changes in various general economic factors in both Australia and New Zealand and global economic changes including, but not limited to:

- Level of economic growth and the resultant impact on advertising market conditions;
- Unemployment levels and the amount of consumer discretionary spend;
- Consumer and business sentiment;
- Interest rates, inflation and currency exchange rates;
- Labour costs; and
- Other changes in economic conditions which may affect the revenue or costs of Fairfax Media

Material adverse changes to these general economic factors may have an adverse impact on Fairfax Media's operating and financial performance.

b) Advertising cycle

Revenue and earnings of Fairfax Media are predominantly derived from advertising in newspaper publishing, radio broadcasting and through online platforms. Fairfax Media is therefore highly leveraged to fluctuations in the advertising markets in Australia and New Zealand.

c) Competition in the media sector

The media sector in Australia and New Zealand can be highly competitive, with a number of operators competing for market share through the same or substitutable products. The actions of an existing competitor or the entry of new competitors in either a media sector in which Fairfax Media operates, a competing media segment (eg television) or generally may have an adverse effect on Fairfax Media.

Fairfax Media faces competition from both traditional media groups and other media companies utilising new technologies including online platforms. The online classified business of Fairfax Digital may be subject to increased levels of competition over time if competitors seek to establish or expand their market share in online property, motor, employment, or classified.

d) Changes in the nature of the publishing and advertising industry

Fairfax Media's business may be affected by changes in the nature of the publishing and advertising industries, including changes to demand for online and traditional print media products and services. As Fairfax Media's business includes the publication and circulation of media in different forms, these changes may, depending on their nature and Fairfax Media's business model at that time, impact on Fairfax Media's operating and financial performance.

e) Geographic Exposure to New Zealand

A proportion of Fairfax Media's operating earnings is derived from its New Zealand publishing operations, supported by its current market position in New Zealand's metropolitan, regional and community newspapers and ownership of online auction and classified advertising website *trademe.co.nz*. An investment in Fairfax Media will include exposure to possible fluctuations in the New Zealand economic cycle and to fluctuations in the Australian and New Zealand dollar exchange rate.

f) Divestment and Acquisition Activities

From time to time Fairfax Media evaluates acquisition and divestment opportunities. Any acquisition and/or disposal would lead to a change in the sources of Fairfax Media's earnings and could increase the volatility of earnings. Integration of new businesses into the group may be costly and may occupy a large amount of management's time.

g) Strategy Execution

Fairfax Media may not be able to execute effectively the current strategies for its businesses including the leveraging of print and online opportunities, cost savings and continuous operational improvements.

h) Recruitment and retention of key personnel

Fairfax competes with other companies in the media sector to recruit and retain key executives and professional staff. There is no assurance that Fairfax will be able to recruit or retain skilled and experienced employees on acceptable terms. A loss of key personnel may detrimentally impact Fairfax Media's operating and financial performance.

1.3 Technology Risk

The media sector is subject to rapid and significant change in technology and the impact of this change on Fairfax Media and its businesses cannot be predicted. The cost of implementing emerging and future technologies could be significant. The development or anticipated development of new technology, or use, or anticipated use, of existing technology may have a material adverse effect on Fairfax Media's operating and financial performance.

1.4 Asset Impairment Risk

Under the A-IFRS accounting standards, intangible assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are reviewed semi-annually

ASX OFFER ANNOUNCEMENTS (continued)

for impairment. Individual assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an individual asset may not be recoverable. Changes to the carrying amounts of intangible assets of Fairfax Media (eg mastheads) could have an adverse impact on the reported financial performance of Fairfax Media.

1.5 Credit Risk

Credit market conditions and the operating performance of Fairfax Media will affect borrowing costs as well as the company's capacity to repay, refinance or increase its debt. An adverse change to Fairfax Media's credit rating will increase Fairfax Media's borrowing costs.

1.6 Regulatory Risk

Fairfax Media may be affected by changes in government policy or legislation applicable to companies in the media sector.

1.7 Taxation Implications

Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Fairfax Media securities, or the holding or disposal of those securities. Further, changes in taxation law, or to the way taxation law is interpreted in the various jurisdictions in which Fairfax Media operates, may impact Fairfax Media's future tax liabilities.

1.8 Risks relating to equity investments and markets

Investors should be aware that there are risks associated with any investment listed on the ASX. The value of Fairfax Media shares may rise above or fall below the Offer Price, depending on the financial condition and operating performance of Fairfax Media. Further, the price at which Fairfax Media shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of Fairfax Media and over which Fairfax Media and its directors have no control. These external factors include:

- Economic conditions in Australia, New Zealand and elsewhere overseas;
- Investor sentiment in the domestic and international stock markets;
- Changes in fiscal, monetary, regulatory and other government policies; and
- Geo-political conditions such as acts or threats of terrorism or military conflicts

Investors should note that the historic share price performance of Fairfax Media shares provides no guidance as to its future share price performance.

1.9 Future payment of dividends

Fairfax Media's future dividend levels will be determined by the Board having regard to the operating results and financial position of Fairfax Media. There is no guarantee that any dividend will be paid or, if paid that they will be paid at previous levels.

ANNEXURE C – IMPORTANT INFORMATION

This press release and the accompanying information ("Information") have been prepared by Fairfax Media.

FOREIGN JURISDICTIONS

New Zealand

The Information has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand).

United States

This Information does not constitute a prospectus or an offering memorandum or an offer to sell, or the solicitation of an offer to buy, New Shares, in the United States or to a US Person (or to any person acting for the account or benefit of a US Person), or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The offer and sale of the Entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. Persons except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Neither this information or any other document relating to the Institutional Offer may be sent or distributed to persons in the United States or to U.S. Persons or to any persons acting for the account or benefit of U.S. Persons.

United Kingdom

The offer of New Shares and Entitlements has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done in relation to the New Shares and/or Entitlements in, from or otherwise involving the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received in connection with the issue or sale of the New Shares and/or Entitlements has only been communicated or caused to be communicated and will only be communicated or cause to be communicated in the United Kingdom in circumstances in which Section 21(1) of FSMA does not apply to Fairfax.

Japan

The New Shares and Entitlements offered have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors as set forth in Article 2, paragraph 3, item 2(a) of the FIEL. Accordingly, the New Shares and Entitlements may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. The term "Qualified Institutional Investors" is defined in Article 2, paragraph 3, item 1 of the FIEL and the regulations promulgated thereunder. Any Qualified Institutional Investor who acquired the New Shares or the Entitlements may not resell them to any person that is not a Qualified

ASX OFFER ANNOUNCEMENTS (continued)

Institutional Investor, and acquisition by any such Qualified Institutional Investor of the New Shares or the Entitlements is conditional upon the execution of the agreement to that effect.

European Economic Area (which includes the Netherlands and Germany)

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") an offer to the public of any New Shares and/or Entitlements may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any New Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) in any other circumstances falling within Article 3(2) of the Prospective Directive, provided that no such offer of New Shares and/or Entitlements shall result in a requirement for the publication by Fairfax of a prospectus pursuant to Article 3 of the Prospective Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any New Shares and/or Entitlements in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares and/or Entitlements to be offered so as to enable an investor to decide to purchase any New Shares and/or Entitlements, as the same may be varied in that Relevant Member State by any measure implementing the Prospective Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Hong Kong

This Information has not been, and will not be, registered as a prospectus in Hong Kong under the Companies Ordinance (Cap 32) ("**CO**") nor has it been authorized by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong (the "**SFO**"). Accordingly, the Information must not be issued, circulated or distributed in Hong Kong other than:

- (a) to "professional investors" within the meaning of SFO and any rules made under that ordinance ("Professional Investors"); or
- (b) in other circumstances which do not result in this Information being a "prospectus" as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors. No person allotted New Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such New Shares.

Singapore

The offer or invitation which is the subject of this document is only allowed to be made to the persons set out herein.

The offer which is the subject of this document is not allowed to be made to the retail public. This document is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly statutory liability under that SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This document and any other materials in connection with the offer has not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore under the SFA. Accordingly, this document and any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares must not be issued, circulated or distributed nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under section 274 of the SFA, and in accordance with the conditions specified, in section 274 of the SFA and any rules made under the SFA;
- (b) to a relevant person pursuant to section 275(1), or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in sections 275 of the SFA and any rules made under the SFA;
- (c) to existing holders of Fairfax's shares under the exemptions in section 273(1)(cd) of the SFA; or
- (d) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA and any rules made under the SFA.

This document has been given to you on the basis that you will fall within one of the categories described above. In the event that you are not an investor falling within one of the categories set out below, please return this document to the Joint Lead Managers immediately. You are prohibited from forwarding or circulating this document to any other person.

Where the shares are initially subscribed or purchased pursuant to an offer made in reliance on the exemptions under sections 273(1)(cd), 274 and 275 of the SFA, these shares can only be sold in Singapore, within the period of six months from the date of the initial acquisition, to institutional investors, relevant persons or any person pursuant to an offer referred to in section 275(1A) of the SFA.

Where the shares are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under section 275 of the SFA except:

ASX OFFER ANNOUNCEMENTS (continued)

- (a) to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interests in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in section 275 of the SFA;
- (b) where no consideration is given for the transfer; or
- (c) where the transfer is by operation of law.

The offer is not made to you with a view to the New Shares (or any of them) being subsequently offered for sale to any other party.

By accepting this document, the recipient hereof represents and warrants that he is entitled to receive such document in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

Norway

The Information has not been approved by, or registered with, any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, neither the Information nor any other offering material relating to the New Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares or may not be offered or sold, directly or indirectly, in Norway except;

- (a) to "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being;
 - (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
 - (ii) any legal entity which is registered as a professional investor with the Oslo Stock Exchange (in Norwegian: Oslo Børs) and which has two or more of
 - (1) an average of at least 250 employees during the last financial year;
 - (2) a total balance sheet of more than €43,000,000; and
 - (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (b) any natural person which is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Børs) and which has two or more of
 - a. an average execution of at least ten – 10 – transactions in securities of significant volume per quarter for the last four quarters;
 - b. a portfolio of securities with a market value of at least €500,000 and
 - c. worked or works, for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;

- (c) to fewer than 100 natural or legal persons (other than "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876) subject to obtaining the prior consent of the Joint Lead Managers for any such offer;

in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by Fairfax or the Joint Lead Managers, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

Denmark

The Information does not constitute a prospectus under any Danish laws or regulations and have not been filed with or approved by the Danish Financial Supervisory Authority or any other Danish regulatory authority as the Information has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued in connection thereto. The New Shares have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, except to (i) qualified investors as defined in Section 2 of the Executive Order No. 1232 of 22 October 2007 on Prospectuses for Securities Admitted for Listing or Trade on a Regulated Market, and on the First Public Offer of Securities exceeding EUR 2,500,000 and/or to (ii) less than 100 individuals or legal entities, who are not qualified investors or otherwise in circumstances which will not result in the offer of the New Shares being subject to the Danish Prospectus requirements of preparing and filing a prospectus pursuant to Chapter 6 of the Danish Securities Trading Act No. 848 of 19 August 2008 and Executive Order No. 1232 of 22 October 2007 on Prospectuses for Securities Admitted for Listing or Trade on a Regulated Market, and on the First Public Offer of Securities exceeding EUR 2,500,000.

France

Neither the Information, nor any other offering material relating to the New Shares described in the Information has been prepared in the context of a public offer of securities in the Republic of France within the meaning of article L.411-1 of the French "Code monétaire et financier" and articles 211-1 & seq. of the General Regulations of the "Autorité des marchés financiers" nor have been or will be submitted to the applicable clearance procedures of the "Autorité des marchés financiers". The New Shares have not been and will not be offered or sold or otherwise transferred, directly or indirectly, to the public in the Republic of France and any offer, sale or other transfer of the New Shares in the Republic of France will and may be made strictly in accordance with articles L. 411-1, L.411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French "Code monétaire et financier", and only to qualified investors acting for their own account, all as defined in and in accordance with articles L.411-2, D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French "Code monétaire et financier."

Ireland

The Information does not constitute a prospectus under any Irish laws or regulations and have not been filed with or approved by the Irish Financial Services Regulatory Authority or any other Irish regulatory authority as the Information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The New Shares have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(j) of the Prospectus Regulations and/or to (ii) less than 100 individuals or legal entities, who are not qualified investors.

ASX OFFER ANNOUNCEMENTS (continued)

Switzerland

The New Shares may not and will not be publicly offered, sold, advertised, distributed or re-distributed, directly or indirectly, in or from Switzerland, no solicitation for investments in the New Shares may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering within the meaning of the articles 1156 or 652a of the Swiss Code of Obligations ("CO") or of article 3 of the Federal Act on Collective Investment Schemes ("CISA").

The Information does not constitute a public offering prospectus within the meaning of articles 652a and 1156 CO and may not comply with the information standards required thereunder. Fairfax has not applied for a listing of the New Shares on the SWX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in the Information does not necessarily comply with the information standards set out in the listing rules of the SWX Swiss Exchange.

Abu Dhabi

NOTICE TO INVESTORS IN THE UNITED ARAB EMIRATES

The New Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates other than in compliance with the laws of the United Arab Emirates governing the issue, offering and sale of securities. Further, the Information and other documents do not constitute a public offer of securities in the United Arab Emirates and are not intended to be a public offer. The Information and other documents have not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Canada

The New Shares may not be offered or sold in Canada or to or for the account of a resident of Canada except to an "accredited investor" as defined in NI 45-106.

Other jurisdictions

The New Shares may not be offered or sold in any other jurisdiction under the Offer, except to persons to whom such offer, sale or distribution is permitted under applicable law. No offers or sales may be made into the People's Republic of China.

ADDITIONAL INFORMATION

Summary information

This document contains summary information only which does not purport to be complete. It should be read in conjunction with Fairfax Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice

This document is for information purposes only and is not financial product or investment advice or a recommendation to acquire Fairfax shares. The information in this document is of a general nature only and in preparing it, no account was taken of any particular investor's objectives, financial situation or needs. This document does not contain all information that a prospective investor would need in deciding whether to make an investment decision. Accordingly, a prospective investor should seek professional advice, having regard to the investor's objectives and financial situation, and will need to rely solely

on its own investigations before making any decision whether to invest. In particular, prospective investors should seek their own tax advice on the Australian and foreign tax consequences of investing. Fairfax is not licensed to provide financial product advice in respect of Fairfax shares. Cooling off rights do not apply to the acquisition of Fairfax shares.

Forward-looking statements

Certain statements contained in this document may constitute statements about future matters and forward-looking statements. These forward-looking statements speak only as of the date of this document. The forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Fairfax's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Neither Fairfax, nor any other person, gives any redocument, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Forward looking statements can be identified by the use of terminology such as 'intend', 'will' or similar words. These statements discuss future expectations concerning financial condition, or provide other forward looking statements. Any projections or forward-looking statements included in this document involve subjective judgment and analysis and are subject to significant risks and contingencies, many of which are outside the control of, or are unknown to, Fairfax and its officers, employees, agents or associates. Any such statements are provided as a general guide and should not be relied on as an indication or guarantee of future performance.

Past performance

Past performance information given in this document is given for illustrative purposes only and should not be relied on as, and is not, an indication of future performance.

Not an offer

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or to any "U.S. persons" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended ("Securities Act")) ("US Person"). The securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States. Securities may not be offered or sold in the United States absent registration under the Securities Act or in a transaction exempt from or not subject to registration. No action has been taken to register securities of Fairfax or otherwise permit a public offering of the securities in any jurisdiction.

Restricted distribution

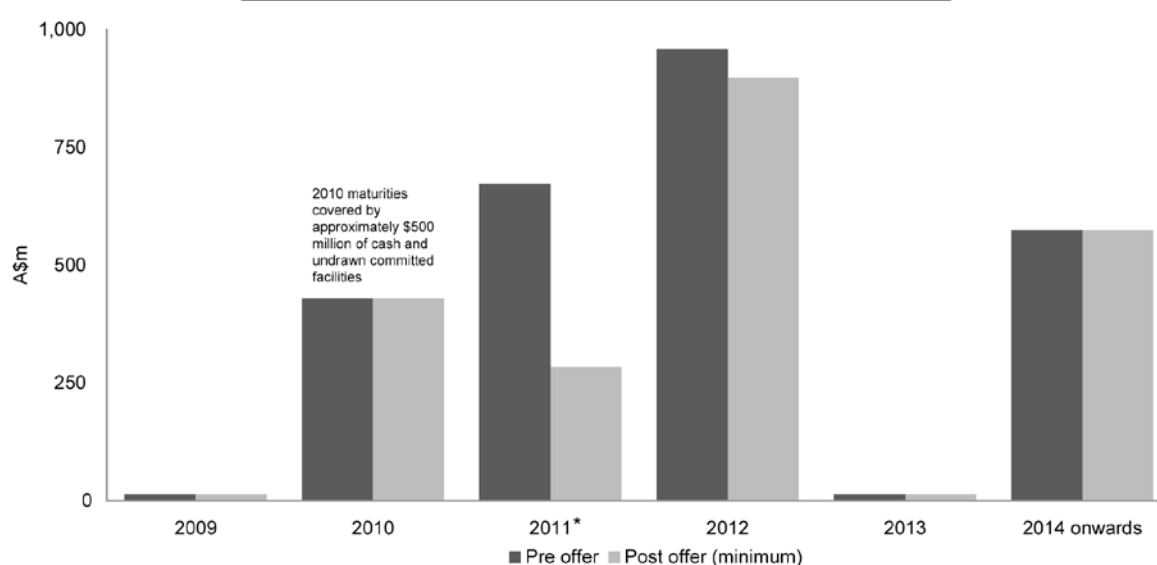
The distribution of this document outside Australia may be restricted by law. In particular, this document or any copy of it must not be taken into or distributed in the United States or distributed to any person that is or is acting for the account or benefit of any US Person. Persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

ASX OFFER ANNOUNCEMENTS (continued)

ANNEXURE D

Committed facility maturity profile – based upon minimum proceeds of \$450 million

Excludes operating cashflow based debt reductions



* Excludes \$300 million SPS which could be converted to equity in April 2011



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

FAIRFAX MEDIA RAISES APPROXIMATELY A\$500 MILLION THROUGH INSTITUTIONAL ENTITLEMENT OFFER

SYDNEY, 2 March, 2009: Fairfax Media today announced it has successfully completed the institutional component of its accelerated non-renounceable pro-rata entitlement offer ("Institutional Entitlement Offer"), raising approximately A\$500 million.

The Institutional Entitlement Offer received very strong support from Fairfax Media's existing institutional shareholders, with 98% of domestic institutional shareholders and 90% of all institutional shareholders taking up entitlements.

In addition, demand from existing Australian and international institutional shareholders in the bookbuild more than covered the entitlement shares not taken up. These shares were fully allocated to existing institutional shareholders on an equitable basis to those who applied for additional shares.

Chairman of Fairfax Media, Ronald Walker stated: "We are pleased with the strong support from our existing institutional shareholders. We are also pleased that shares have only been allocated to our existing shareholders thus ensuring the value has been retained within our shareholder base. We thank them for their support."

"This successful equity raising considerably enhances the financial position of the Company in these difficult economic times and reaffirms our shareholders faith in our great Company."

Shares from the Institutional Entitlement Offer are expected to be issued on 13 March, 2009 and commence normal trading on ASX on the same day.¹

The net proceeds of the Entitlement Offer will be used to pay down a substantial portion of the Company's syndicated bank facility (AUD denominated) maturing in 2011 and 2012.

As previously announced, the retail component of the Entitlement Offer ("Retail Entitlement Offer") opens on 4 March, 2009 and is expected to close at 5.00pm AEDT on 27 March, 2009. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer will need to complete the Entitlement and Acceptance Form, which is expected to be mailed to them by Monday, 9 March, 2009.

Given the strength of the institutional take up the Company has decided that it is not necessary to offer a broker handling fee on the Retail Entitlement Offer and accordingly the proposed broker handling fee referred to in item 24 of the appendix 3B will not be payable.

The proceeds to be raised through the Retail Entitlement Offer will not be known until early April.

¹ Settlement under the Institutional Entitlement Offer referred to above will occur on 12 March 2009. Until this date the Underwriting Agreement remains subject to a number of customary termination events.

ASX OFFER ANNOUNCEMENTS (continued)

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SHAREHOLDER ENQUIRIES

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Fairfax Media Limited Shareholder Information Line on 1300 888 062 (local call cost within Australia) or +61 2 8280 7670 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday.

-- ENDS --

Contacts:

Frank Sufferini
General Manager Investor Relations
+61 2 9282 3846

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This press release does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The shares have not been registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This press release includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Fairfax Media Limited, and its officers, employees, agents or associates, including risks associated with the ability of Fairfax Media Limited to raise equity in the Retail Entitlement Offer and the ability of Fairfax Media Limited to pay the expected dividend. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Fairfax Media Limited assumes no obligation to update such information.

HOW TO APPLY

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

1. THE RETAIL ENTITLEMENT OFFER

Eligible Retail Shareholders (as defined in Important Information) are being offered the opportunity to subscribe for 3 New Shares for every 5 Fairfax Media ordinary shares ("Shares") held at 7.00pm (AEDT) on Tuesday, 3 March 2009 ("Entitlement"), at the offer price of \$0.75 per New Share ("Offer Price").

Eligible Retail Shareholders may also apply for New Shares in excess of their Entitlement ("Additional New Shares"). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if and to the extent that Fairfax Media so determines, in its absolute discretion having regard to circumstances as at the time of the close of the Retail Entitlement Offer, and to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. Fairfax Media may apply any scale-back (in its absolute discretion).

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on Fairfax Media and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares.

In particular, please refer to this booklet, Fairfax Media's interim and annual reports and other announcements made available at www.fxj.com.au (including Fairfax Media's Half Year Report for the 26 week period ending 28 December 2008 that was released to ASX on 23 February 2009). Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 3 New Shares for every 5 Shares you held as at the record date of 7.00pm (AEDT) on Tuesday, 3 March 2009 rounded up to the nearest whole New Share. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued under the Retail Entitlement Offer will not be entitled to the FY2009 interim dividend but will otherwise rank *pari passu* with issued Shares.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a U.S. Person (see definition of Eligible Retail Shareholder in Important Information).

2. CONSIDER THE RETAIL ENTITLEMENT OFFER IN LIGHT OF YOUR PARTICULAR INVESTMENT OBJECTIVES AND CIRCUMSTANCES

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to "Annexure B – Risk Disclosure" of the ASX announcement made on Friday, 27 February 2009 included in this booklet.

3. COMPLETE AND RETURN THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM WITH YOUR APPLICATION MONIES OR MAKE A PAYMENT BY BPAY

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form.

Fairfax Media will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in its absolute discretion in respect of Additional New Shares. Amounts received by Fairfax Media in excess of your Entitlement ("Excess Amount") may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full. If you are paying by BPAY, please make sure to use the specific Biller Code and unique Customer Reference Number ("CRN") on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and

Acceptance Form, please only use the CRN specific to the Entitlement on that Form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for Additional New Shares on the Entitlement to which that CRN applies.

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer you will be allotted your New Shares on Monday, 6 April 2009. If you apply for Additional New Shares then, subject to Fairfax Media's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on Monday, 6 April 2009. Fairfax Media's decision on the number of New Shares to be allocated to you will be final.

Fairfax Media also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

4. ACCEPTANCE OF THE RETAIL ENTITLEMENT OFFER

The method of acceptance of the Retail Entitlement Offer will depend on your method of payment being:

- » by BPAY; or
- » by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will be deemed to have represented that you are an Eligible Retail Shareholder (as defined in Important Information).

HOW TO APPLY (continued)

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have represented on behalf of each person on whose account you are acting that: (a) you are not in the United States and are not, and are not acting for the account or benefit of, a U.S. Person; (b) you acknowledge that the New Shares have not been and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and (c) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person.

Payment by BPAY

For payment by BPAY please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- » you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- » if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5.00pm (AEDT) on Friday, 27 March 2009 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded on or around Tuesday, 14 April 2009. No interest will be paid on any Application Monies received or refunded.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the Form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Fairfax Media Offer Account" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- » for an amount equal to \$0.75 multiplied by the number of New Shares and Additional New Shares that you are applying for; and
- » in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheques will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded on or around Tuesday, 14 April 2009. No interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

5. MAIL

To participate, your payment must be received no later than the close of the Retail Entitlement Offer, on 5.00pm (AEDT) on Friday, 27 March 2009. Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this booklet, or mail to:

Fairfax Media Limited Offer
C/- Link Market Services Limited
GPO Box 3560
SYDNEY NSW 2001

IMPORTANT INFORMATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

This Booklet (including the ASX Offer Announcements) and enclosed personalised Entitlement and Acceptance Form ("Information") have been prepared by Fairfax Media Limited (ABN 15 008 663 161) ("Fairfax Media"). This Information is dated Wednesday, 4 March 2009 (other than the ASX Offer Announcements).

No party other than Fairfax Media has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

THIS INFORMATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You should read this Information carefully and in its entirety before deciding whether to invest in New Shares or Additional New Shares. In particular, you should consider the risk factors outlined in Annexure B of the ASX announcement of the Entitlement Offer made on Friday, 27 February 2009 that could affect the operating and financial performance of Fairfax Media or the value of an investment in Fairfax Media.

Fairfax Media has applied for the grant by ASX of official quotation of the New Shares.

1. ELIGIBLE RETAIL SHAREHOLDERS

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission ("ASIC") Class Order 08/35.

Eligible Retail Shareholders are those holders of Shares who:

- » are registered as a holder of Shares as at 7.00pm (AEDT) on Tuesday, 3 March 2009 (the "Record Date")¹;
- » have a registered address in Australia or New Zealand;
- » are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person;
- » are not an Institutional Shareholder or Ineligible Retail Shareholder; and
- » are eligible under all applicable securities

laws to receive an offer under the Retail Entitlement Offer.

2. ADDITIONAL NEW SHARES

Fairfax Media reserves the right to allot any Additional New Shares if and to the extent that Fairfax Media so determines, in its absolute discretion having regard to circumstances as at the time of the close of the Retail Entitlement Offer, and if there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. Fairfax Media may apply any scale-back in its absolute discretion. Therefore, your application for Additional New Shares may not be successful (wholly or partially). The decision of Fairfax Media on the number of Additional New Shares to be allocated to you will be final.

3. FY2009 INTERIM DIVIDEND

The New Shares and Additional New Shares will not be entitled to the declared \$0.02 per share FY2009 interim dividend but will otherwise rank *pari passu* with issued shares.

4. NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw your application once it has been accepted.

5. NO ENTITLEMENTS TRADING

Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

6. NOT INVESTMENT ADVICE

The Information is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Fairfax Media is not licensed to provide financial product advice

in respect of the New Shares or Additional New Shares. The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares.

Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

7. TAXATION

Set out below is a summary of the Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets.

The summary below does not necessarily apply to Eligible Retail Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment.

The summary below does not necessarily apply to Eligible Retail Shareholders whose Shares are held through an employee share plan or whose Shares are held as revenue assets or trading stock.

The summary below also does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Information.

Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

¹ Pursuant to a waiver from the ASX and for the purposes of determining entitlements under the Entitlement Offer, Fairfax Media will disregard transactions in Shares after implementation of the trading halt in Fairfax Media shares on 26 February 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

IMPORTANT INFORMATION (continued)

Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Shares and, in Fairfax Media's absolute discretion, Additional New Shares will acquire those Shares with a cost base for capital gains tax ("CGT") purposes equal to the Offer Price payable by them for those Shares plus any non-deductible incidental costs they incur in acquiring them, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares or Additional New Shares.

New Shares

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and, in Fairfax Media's absolute discretion, Additional New Shares (as applicable). Any future dividends or other distributions made in respect of those New Shares and Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares and Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares and Additional New Shares. The cost base of those Shares is described above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Additional New Shares will be treated for the purposes of the CGT discount as having been acquired when Fairfax Media issues or allots those Additional New Shares. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those Shares, they must have been held for at least 12 months after those dates before the disposal occurs.

Other Australian taxes

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares and Additional New Shares.

8. ROUNDING OF ENTITLEMENTS

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

9. INFORMATION AVAILABILITY

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Information during the period of the Retail Entitlement Offer on the Fairfax Media website at www.fxj.com.au or by calling the Fairfax Media Shareholder Information Line. Persons who access the electronic version of this Information should ensure that they download and read the entire Information. The electronic version of this Information on the Fairfax Media website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Fairfax Media Shareholder Information Line on 1300 888 062 (local call cost within Australia) or +61 2 8280 7670 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period, or can be accessed at www.fxj.com.au by following the "Fairfax Media 2009 Entitlement Offer" link.

Neither this Information nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, or otherwise distributed in the United States.

10. FUTURE PERFORMANCE AND FORWARD LOOKING STATEMENTS

Neither Fairfax Media nor any other person warrants or guarantees the future performance of the New Shares, Additional New Shares or any return on any investment made pursuant to this Information. Forward looking statements, opinions and estimates provided in the Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future

performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Fairfax Media and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Information.

11. PAST PERFORMANCE

Investors should note that the past share performance of Fairfax Media Shares provides no guidance as to future price performance.

12. GOVERNING LAW

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

13. FOREIGN JURISDICTIONS

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under this Information are also being offered to Eligible Retail Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Information is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares have not been, or will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the New Shares may constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares remain restricted securities, the New Shares may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of Fairfax Media.

14. UNDERWRITING

Fairfax Media has entered into an underwriting agreement with the Joint Lead Managers who have agreed to underwrite \$438m of the institutional component of the Entitlement Offer and to provide settlement support for approximately a further \$50 million of the institutional component of the Entitlement Offer. Customary with these types of arrangements:

- » Fairfax Media has agreed to indemnify the Joint Lead Managers and their directors, officers, employees, agents and advisers against losses they may suffer or incur in connection with the Entitlement Offer;

- » the Joint Lead Managers may, at any time up to settlement of the institutional component (expected to occur at 10.00am AEDT on Thursday, 12 March 2009), terminate the underwriting agreement and be released from their obligations under it on the occurrence of certain events, in certain circumstances, including:

- Shares are suspended from trading on ASX for a period (other than a trading halt requested by Fairfax Media to conduct the Entitlement Offer or as otherwise agreed) or Fairfax Media is delisted;
- there is a delay in the timetable for the institutional component of the Entitlement Offer of more than two business days (without consent of the Joint Lead Managers); or
- there is a disruption in financial markets or political or economic conditions which have a materially adverse impact on the Entitlement Offer including on settlement; and

- » the Joint Lead Managers will be remunerated by Fairfax Media at market rates.

The Retail Entitlement Offer is not underwritten. The Joint Lead Managers have not authorised or caused the issue of, and take no responsibility for, the Information, and to the maximum extent permitted by law, disclaim all liability in connection with the Entitlement Offer and the Information.

15. DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Fairfax Media, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Fairfax Media, or any other person, warrants or guarantees the future performance of Fairfax Media or any return on any investment made pursuant to this Information.

For personal use only



SRN/HIN

Number of Shares held as at
the Record Date, 7:00pm (AEDT)
on Tuesday, 3 March 2009

Entitlement to New Shares
(on a 3 for 5 basis)

Amount payable for full entitlement
at A\$0.75 per New Share

ENTITLEMENT AND ACCEPTANCE FORM (INCLUDING ADDITIONAL NEW SHARES)

THIS ENTITLEMENT AND ACCEPTANCE FORM RELATES TO A NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER OF NEW SHARES TO ELIGIBLE SHAREHOLDERS OF FAIRFAX MEDIA LIMITED CLOSING 5:00PM (AEDT) ON 27 MARCH 2009.

As an Eligible Retail Shareholder (as described in section 1 of the "Important Information" contained in the Retail Entitlement Offer Booklet) you are entitled to subscribe for 3 New Shares for every 5 Shares that you hold on the Record Date, at an Offer Price of A\$0.75 per New Share ("Entitlement Offer"). This document is of value and, along with the other documents contained in the Retail Entitlement Offer Booklet, requires your immediate attention. If you do not understand it or you are in doubt as to how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for Additional New Shares, you have two payment options:

PAYMENT OPTIONS

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below.** Payment must be received via BPAY® before 5:00pm (AEDT) on 27 March 2009.



Billers Code: 112722

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your application monies (being A\$0.75 multiplied by the number of New Shares and any Additional New Shares applied for).

Your cheque, bank draft or money order should be made payable to "Fairfax Media Offer Account" and crossed "Not Negotiable".

No signature is required on the acceptance slip.

The acceptance slip with your application monies must be received by the Registry before 5:00pm (AEDT) on 27 March 2009.

PLEASE DETACH AND ENCLOSE WITH PAYMENT IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Pin
cheque(s)
here
(do not
staple)

Fairfax Media

Fairfax Media Limited
ABN 15 008 663 161

A Number of New Shares applied for (being not more than your Entitlement shown above)	B Number of Additional New Shares applied for (if any)	C Total number of New Shares applied for (add Boxes A and B)
<input type="text"/>	<input type="text"/>	<input type="text"/>
	+	=

D Application Money (multiply C by the Offer Price of A\$0.75)	E CONTACT DETAILS – Contact name	Telephone number
A\$ <input type="text"/>	<input type="text"/>	<input type="text"/>

F PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Fairfax Media Offer Account" and crossed "Not Negotiable".

Drawer	Cheque Number	BSB Number	Account Number	Cheque Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Fairfax Media Limited (“Fairfax Media”)

The Entitlement Offer to which this Entitlement and Acceptance Form relates, is not being made and does not constitute an offer in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer and no action has been taken to register the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction. Return of the Entitlement and Acceptance Form shall be taken by Fairfax Media to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

The Entitlement Offer to which this Entitlement and Acceptance Form relates, is not being made and does not constitute an offer to sell, or the solicitation of an offer to buy, any New Shares in the United States or to, or for the account or benefit of, any “U.S. Person” (as defined in Regulation S under the *U.S. Securities Act of 1933*, as amended (the “**Securities Act**”) (“**U.S. Person**”). New Shares may not be offered or sold in the United States absent registration or in a transaction exempt from, or not subject to the registration requirements of the Securities Act. The New Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act, or under the laws of any state or other jurisdiction of the United States. Outside the United States, the New Shares will be offered and sold to persons that are not U.S. Persons and are not acting for the account or benefit of U.S. Persons (other than dealers or professional fiduciaries organised, incorporated or (if an individual) resident outside of the United States acting for the account or benefit of U.S. Persons for which it has sole investment discretion) (“Eligible Offshore Fund Managers”) in “offshore transactions” (as defined in Regulation S under the Securities Act) in compliance with Regulation S under the Securities Act.

ACCEPTANCE OF ENTITLEMENT OFFER

Receipt of this Entitlement and Acceptance Form by 5:00pm (AEDT) on 27 March 2009 with payment to the Registry, will constitute acceptance in accordance with the terms and conditions of the Chairman’s Letter dated 4 March 2009, “How to Apply” Form, Retail Entitlement Offer Booklet and Entitlement and Acceptance Form.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for (including any Additional New Shares) by the Offer Price of A\$0.75. Fairfax Media will treat you as applying for as many New Shares as your BPAY® payment will pay for. Any amount received by Fairfax Media in excess of the amount required to be paid for you to apply for your Entitlement (“Excess Amount”) may be treated by Fairfax Media as an application for as many Additional New Shares your Excess Amount will pay for. Your application for Additional New Shares may not be successful (wholly or partially). The decision of Fairfax Media on the number of New Shares to be allocated to you will be final. No interest will be paid on any application monies received or returned.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Application for New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of Additional New Shares above your Entitlement for which you wish to apply into Box B.

Your application for Additional New Shares may not be successful (wholly or partially). The decision of Fairfax Media on the number of Additional New Shares to be allocated to you will be final and in Fairfax Media’s absolute discretion. No interest will be paid on any application monies received or returned.

C. Total Number of New Shares applied for

To calculate total number of New Shares applied for, add Box A and Box B and enter this in Box C.

D. Application Money

To calculate application monies, multiply Box C by the Offer Price of A\$0.75.

E. Contact details

Enter your contact details and telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

F. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section F. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Fairfax Media Offer Account” and crossed “Not Negotiable”. If you provide a cheque or money order for an amount that is insufficient to pay for the number of New Shares you apply for, Fairfax Media may treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for or may elect to reject your Application.

DECLARATIONS:

By returning this Entitlement and Acceptance Form along with the application monies by cheque, bank draft or money order OR paying by BPAY®, I/we:

- agree to be bound by the terms of the Entitlement Offer;
- authorise you to register me/us as the holder(s) of the New Shares allotted to me/us;
- declare that all details and statements in this Entitlement and Acceptance Form are complete and accurate;
- declare that I/we am/are over 18 years of age and have full legal capacity and power to perform all my/our rights and obligations under this Entitlement and Acceptance Form;
- acknowledge that once Fairfax Media receives this Entitlement and Acceptance Form or my/our BPAY® payment, I/we may not withdraw it or vary my/our Application;
- agree to apply for the number of New Shares at the Offer Price of A\$0.75;
- agree to be issued the number of New Shares that I/we apply for;
- authorise Fairfax Media, the Joint Lead Managers and their respective officers or agents, to do anything on my/our behalf necessary for the Shares to be issued to me/us, including to act on instructions of the Share registrar upon using the contact details set out in this Entitlement and Acceptance Form;
- declare that I/we am/are the current registered holders(s) of Fairfax Media Shares and am/are Australian or New Zealand resident(s);
- acknowledge that the information contained in the Retail Entitlement Offer Booklet, including the Chairman’s letter dated 4 March 2009, “How to Apply” form and this Entitlement and Acceptance Form is not financial advice or a recommendation that the New Shares are suitable for me/us, given my/our investment objectives, financial situation or particular needs;
- represent and warrant that the law of any other place does not prohibit me/us from being given the Retail Entitlement Offer Booklet, including the Chairman’s letter dated 4 March 2009, “How to Apply” form, or from making an application on this Entitlement and Acceptance Form;
- represent and warrant (for the benefit of Fairfax Media, the Joint Lead Managers and their respective affiliates) that I/we am/are not in the United States and that I/we am/are not a U.S. Person, and I/we am/are not acting for the account or benefit of, a U.S. Person (other than an Eligible Offshore Fund Manager);
- acknowledge that the New Shares have not, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- agree not to send this Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is a U.S. Person, or is acting for the account or benefit of a U.S. Person (other than an Eligible Offshore Fund Manager); and
- agree that if in the future I/we decide to sell or otherwise transfer our New Shares, I/we will only do so in transactions where neither I/we nor any person acting on our behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a U.S. Person.

By accepting the Entitlement Offer, you agree that Fairfax Media’s Registry, Link Market Services Limited, may disclose your personal information for purposes relating to your Shareholding to its agents, related bodies corporate, contractors and service providers including printers and mailing houses and ASX and other regulatory authorities or as otherwise authorised under the *Privacy Act 2001* (Cth).

Your application to acquire New Shares is irrevocable and may not be varied or withdrawn.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **Your completed Entitlement and Acceptance Form and payment for New Shares must be received by the Registry no later than 5:00pm (AEDT) on 27 March 2009. If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.**

Postal delivery

Fairfax Media Limited Offer
C/- Link Market Services Limited
GPO Box 3560
SYDNEY NSW 2001

Hand delivery

Fairfax Media Limited Offer
C/- Link Market Services Limited
Level 12, 680 George Street
SYDNEY NSW 2000 **(Please do not use this address for mailing purposes)**

Entitlement and Acceptance Forms will NOT be accepted at Fairfax Media’s registered offices.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Registry on 1300 888 062 (within Australia) or +61 2 8280 7670 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.