

DAVID KIRK APPOINTED CEO OF FAIRFAX; DEAN WILLS RETIRES AS CHAIRMAN, REPLACED BY RONALD WALKER

SYDNEY, August 25, 2005 – David Kirk MBE, the Chief Executive Officer of PMP Limited, will be appointed CEO of Fairfax, replacing Fred Hilmer AO. Mr Kirk's appointment will be effective from late November 2005.

Mr Dean Wills AO also announced that he will be stepping down as Chairman and resign from the Board, effective tomorrow. The Board has elected Mr Ronald Walker AC CBE as Chairman.

Mr Wills said:

"David Kirk is an outstanding choice to lead Fairfax. He is the right person at the right time to take us forward.

"David knows the media industry and our publishing business well. He brings the experience, energy, enthusiasm and vision for the company that we have sought in finding the successor to Fred Hilmer, who has served with such distinction and accomplished so much for Fairfax over the past seven years.

"While I have wanted to continue with the Board, I regret that I am unable, due to family commitments, to stay on as Chairman of this very special and rewarding company. I congratulate Ron Walker on his election as Chairman, and I know he will give his fullest commitment to Fairfax and its future. I thank my colleagues for their support."

Mr Kirk said:

"Fairfax is one of the most outstanding and respected companies in Australia and New Zealand, with its publications fulfilling a critical role in the functioning of our democracies and our market economies. My prime objective is to continue to strengthen and grow Fairfax by creating opportunities and meeting competitive challenges.

"I have the highest respect for Fairfax's independent, quality journalism, and for the values that underpin it.

"I look forward to meeting the staff and working with them.

"I thank the Board for their confidence in me. Fred Hilmer has done a superb job, and leaves the company in excellent shape, and well-positioned for future growth. He has my appreciation and friendship.

"The company is performing very well, and has an excellent management team. I support the enhanced operational focus the recent restructure has brought.

Mr Walker said, "It is a great honour and privilege to assume the chairmanship of Fairfax. During my watch as Chairman I hope to continue and enhance Fairfax's leading position in the industry by building on our achievements over the past several years in which we strengthened our business in Australia and extended it to New Zealand. We want to pursue options for future growth consistent with our commitment to shareholder value.

"I have great pride in our publications and our journalists.

"As a Board, we have worked hard to ensure the highest standards of corporate governance, and I reaffirm our commitment in that regard. I look forward to chairing our Annual General Meeting, and addressing our shareholders more fully at that time.

"In particular, I want to express the Board's appreciation for Dean Wills' services over the last 11 years. It was under Dean's chairmanship that the company began its current growth phase with the acquisition of the New Zealand business, Text Publishing, RSVP, and a number of regional and community titles. We wish him well."

Mr Walker said that the Board is continuing its process of renewal, and that candidates to fill at least two Board seats were being assessed, with the intent of appointing new Board members over the next few months.

Mr Hilmer said, "David Kirk's appointment successfully concludes the search for a CEO of achievement and excellence. Fairfax is in superb shape, as will be evident when we report on Monday our financial results for the year. With David's appointment, the company will be in good hands for the future."

Mr Walker said Mr Hilmer will be available to the new CEO and the Board to consult on issues as required after the November handover.

The key terms of Mr Kirk's Executive Services Agreement with the Company include a base salary of \$1.2 million per year, and performance bonuses of up to 150% of base salary based on achievement of defined performance criteria set at the beginning of each financial year. Subject to shareholder approval, one third of the bonus will be paid in shares, which vest over three years from their issue. In addition, a one-off special compensation is provided of \$1.2 million in benefits foregone from previous employment, with \$400,000 payable on commencement of employment, and equal instalments of \$400,000 payable of 1 July 2006 and 1 July 2007. The complete employment contract has been posted with the Australian Stock Exchange.

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David Kirk – Biographical Note

David Kirk was born in Wellington, New Zealand and grew up in Palmerston North. He studied medicine at Otago University, graduating in 1985. After 18 months in Auckland working as a House Surgeon, he spent a year as a business analyst with Fletcher Challenge. In 1987 he took up a Rhodes Scholarship to Oxford University, taking a degree in Philosophy, Politics, and Economics.

He graduated from Oxford in 1989 and joined McKinsey & Co in London, where he remained for three years, gaining a wide variety of experience in business consulting.

David Kirk returned to New Zealand in 1992 to take up a position as Executive Assistant (later Chief Policy Adviser) to the Prime Minister of New Zealand, the Rt. Hon. Jim Bolger. Three years later, he joined Fletcher Challenge Energy as General Manager of the company's downstream activities in New Zealand.

In 1998, he moved to Fletcher Challenge Paper as the Director of Marketing and Supply Chain for the global company. He then moved to the role of Chief Operating Officer for Fletcher Challenge Paper Australasia in December 1999, then Regional President, Norske Skog (Australasia) Pty Ltd when Norske Skog purchased Fletcher Challenge Paper in July 2000.

He was Chairman of the Australian Paper Industry Council from February 2001 to March 2003.

David Kirk has been CEO of the ASX listed printing and media services company PMP since March 2003.

David Kirk has had a distinguished sporting career representing New Zealand in rugby. He played for the Otago and Auckland provinces and the All Blacks from 1983 to 1987, captaining the team in 1986 and 1987.

He was awarded a Member of the British Empire (MBE) in 1987. He is the author of two books and has been a regular contributor to various newspapers around the world.

Ronald Walker AC CBE – Biographical Note

Mr Walker joined the Fairfax Board on 4 February 2003. Mr Walker has been a prominent businessman in Australia for more than 30 years and was Lord Mayor of Melbourne from 1974 to 1976, having served two terms. He was founder and chairman of one of Australia's largest private chemical companies between 1963 and 1976, was co-founder, director and major shareholder of Hudson Conway Limited, and co-founder and major shareholder of Crown Casino Limited. Mr Walker is a substantial shareholder and Deputy Chairman of Primelife Corporation Limited and is on the Board of Buka Minerals Limited. He is also Chairman of the Australian Grand Prix Corporation and the Melbourne 2006 Commonwealth Games and is a Director of the Australian Soccer Association.