

9 December 2002

## **ANNOUNCEMENT**

### **FAIRFAX BRIEFING ON TULLAMARINE PRINTING FACILITY**

MELBOURNE, December 9, 2002 – John Fairfax Holdings Limited [ASX:FXJ] today conducted a briefing for financial analysts and institutions on the new printing facility at Tullamarine, the plant expansion and colour upgrade at Chullora, and the revamp of equipment utilisation at Spencer Street.

Peter Graham, Director, Group Operations, made the following points:

The Tullamarine plant is on time and on budget, and the transition is proceeding to the previously announced timetable.

Tullamarine will be completed within its \$220 million budget.

Commissioning of the equipment has proceeded smoothly, with no unexpected problems or delays.

The first commercial products are being printed at the current time.

Production of the Saturday Age will begin on a phased transition over the late December-early January period, with full production of the Saturday Age in January.

Full transition of other publications to be printed at Tullamarine to follow.

Colour capacity will be at 100%. The new presses can print 75,000 copies/hour, compared to the current 30,000 copies/hour at Spencer Street.

The new EBA is in force with orderly transition to full benefits of reduced staffing levels, higher productivity, and greater labour flexibility at Tullamarine. Full-time staff levels are being reduced from 270 at Spencer Street to 150 at Tullamarine, with significant productivity improvements.

The new press and mail room expansion together with colour upgrade at Chullora is on budget (\$90 million), and proceeding to schedule. Some additional colour capacity has been brought online this side of the Christmas season – earlier than planned.

Colour capacity will be at 100%.

Spencer Street will be used to print Fairfax's Community newspapers in Victoria.

Presses are fully depreciated.

Presses still have utility for several years.

Two presses can be run with about 80 staff.

Economically viable to print Victorian Community newspapers in-house.

Greg Hywood, Publisher and Editor-in-Chief of The Age, made the following points in his presentation:

The Age will leverage the competitive advantage of Tullamarine to increase circulation and readership; grow its target audience; continuously improve quality and cost of all Age products.

The 100% colour capacity at Tullamarine presents revenue growth opportunities across all key advertising categories: employment, real estate, automotive, and display. Demand is already there for additional colour in The Age.

The Age will be progressively redesigned across all editions to take advantage of the new colour capacity and to meet market needs.

A key selling position to advertisers is the quality, position and availability of a superb editorial and advertising platform, and the most appealing newspaper audience in Victoria:

The Age has very strong readership performance across all days of the week

The Age is the AB leader in Victoria on all days of the week

The Age's AB lead over its competition is widening

The Age's strategy is not to flood the market with colour. Colour will be staged to meet demand.

Mark Bayliss, Chief Financial Officer, affirmed the guidance given to the market at the AGM in November.

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