

**FAIRFAX CLOSES SHARE PURCHASE PLAN AND ANNOUNCES
UNDERWRITTEN DIVIDEND REINVESTMENT PLAN**

SYDNEY, June 10, 2003 -- John Fairfax Holdings Limited [ASX:FXJ] today announced it had closed its Share Purchase Plan (SPP), with approximately A\$61 million of ordinary shares being subscribed for by shareholders.

The funds raised from the SPP will be used to help fund the acquisition of the New Zealand publishing business of Independent Newspapers Limited [NZSE:INL]. The balance of the funding requirements for the acquisition will be satisfied from the proceeds of the institutional equity placement conducted in April 2003 and senior debt facilities already in place.

Mr Fred Hilmer, CEO of Fairfax, said:

“When the funding structure for the acquisition was put in place, it was very important to offer our retail shareholders an opportunity to participate in the capital raising. We are very pleased with the response to the SPP with approximately 32% of shareholders participating.

“As a result of favourable foreign exchange movements the balance of the funding requirements can be met within the existing A\$702 million senior debt finance facility. Accordingly, our financing for this important transaction has been successfully completed.”

The issue price for shares under the SPP will be announced on 17 June 2003.

Fairfax also confirmed today that subject to shareholder approval it will introduce a Dividend Reinvestment Plan (DRP) available to eligible shareholders commencing from the next dividend payment in November 2003.

Under the terms of the proposed DRP, eligible shareholders will be able to reinvest their dividends in additional Fairfax shares free of any brokerage or other transaction costs. Shares will be issued and/or transferred to DRP participants at the prevailing market price, less any discount that the Directors may elect from

time to time. Under the proposed DRP a 2.5% discount will be offered in relation to the final dividend for the year ended June 2003.

Full information on the DRP, including detailed terms and conditions, will be set out in a DRP information booklet which will be sent to eligible shareholders in September 2003. Shareholder approval of the DRP will be sought at the company's Annual General Meeting scheduled for 31 October 2003.

Participation in the DRP will be optional. Shareholders not participating would continue to receive their dividends in cash.

As foreshadowed in April 2003, subject to approval of the DRP by shareholders, Fairfax has entered into an agreement with UBS Warburg Australia Limited to fully underwrite the next two dividend payments, up to a total maximum amount of A\$135 million.

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