

## **FRED HILMER TO STEP DOWN AS CEO IN 2005**

SYDNEY, May 6, 2004 – Fairfax Chairman Dean Wills today announced that the Chief Executive, Fred Hilmer, had advised him he wishes to hand over to a successor during calendar 2005.

Mr Hilmer said that he raised the issue with the Chairman for both business and personal reasons.

“From the perspective of the business, Fairfax is now a strong and stable company with outstanding print and online properties that are performing soundly. The benefits of our new plant, organisation structures and processes and the more recent New Zealand and Text acquisitions will together have a significant impact this financial year. Moreover, the prospects for next financial year, subject always to the state of the economy, are for further solid growth.”

“Fairfax, however, is now approaching a point where it will require a CEO with a 5-to-7 year commitment to build on the changes made and take the company to the next stage of growth and improvement. We therefore have a good-sized window in which to effect a smooth and effective transition.”

“From a personal perspective I am not able to make the commitment for the time period that I believe is now required. While I enjoy working with my colleagues at Fairfax, I will be 60 next year, and would like to pursue other interests and activities that were placed on hold when I was recruited to this role nearly 6 years ago.”

“My key objective is to make this transition work in the best possible way, and to this end to be flexible on timing and to support the process as appropriate.”

Mr Wills said:

“Fred has transformed the business. He has brought focus, stability and discipline to our Australian operations and has built a strong and effective management team. He initiated and completed our major acquisition in New Zealand, which is performing well above all the benchmarks set by the Board.”

“I agree with his assessment regarding the company’s position and the advisability at this stage of now moving to appoint a Chief Executive who is able to commit to a longer term.”

“The Board appreciates the flexibility provided in this timeframe to appoint a successor and deliver a planned transition. This is in the Company’s interest as well as fitting with Fred’s personal objectives.”

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