

Fairfax

John Fairfax Holdings Limited

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ANNOUNCEMENT

PROPOSED TARGETED REDUNDANCY PROGRAM FOR HERALD PUBLICATIONS

SYDNEY, May 18, 2004 -- John Fairfax Holdings [ASX:FXJ] has announced to staff at its two Sydney metropolitan newspapers, The Sydney Morning Herald and The Sun-Herald, that the company is initiating discussions with the Media Entertainment and Arts Alliance regarding implementation of a proposed redundancy program for staff at the two papers. The targeted redundancy program, which in the first instance will be voluntary, would encompass between 35 and 45 editorial employees. As a result, there will be a redundancy provision of \$6 – 8 million in the accounts for the 2004 financial year, with the company expecting to realise net annualised savings in the cost base in excess of \$4 million per year.

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