



## **Taxation Implications of the Merger Between Fairfax Media Limited and Rural Press Limited**

SYDNEY, 16 May, 2007: In respect of the taxation implications for Rural Press Limited shareholders that have accepted the offer from Fairfax Media Limited for their shares, shareholders should refer to the section prepared by KPMG on pages 171 to 181 of the Rural Press Limited Scheme Booklet

### Market Value of Fairfax Media Shares – Capital account shareholders

Section 3.2 of the “Taxation Implications of the Merger” states:

“The capital proceeds received for the Rural Press Shares under the Schemes will be the aggregate of the market value at the Implementation Date of the Fairfax Media shares and the cash received by the Rural Press Shareholders being 2 Fairfax Media Shares and \$3.30 or 2.3 Fairfax Media Shares and \$1.80 for each Rural Press Share as elected by the Rural Press Shareholder.

Generally the market value of the 2 or 2.3 Fairfax Media Shares received for each Rural Press Share will be the price at close of trading (closing price) on the Implementation Date.”

Rural Press Shareholders are advised that the “Implementation Date” of the Merger was 9 May 2007 and the closing price of Fairfax Media Shares on that date was \$5.09.

This is a guide only and Rural Press Shareholders should seek their own independent tax advice based upon their own circumstances. Fairfax Media Limited or KPMG does not accept any responsibility to any Rural Press Shareholder in relation to the tax implications arising from participation in the Schemes.

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