

financial report



Corporate Governance

The Board of Directors of John Fairfax Holdings Limited (the "Board") is responsible for the corporate governance of the consolidated entity. It sets the strategic direction, approves performance targets, monitors management achievements, provides overall policy guidance and ensures that policies and procedures for internal control and risk management are in place to ensure shareholder funds are prudently managed and the Company meets its regulatory obligations. To this end, the Board has established Finance and Audit, Nomination and Remuneration Committees which are supported by external auditors and risk management specialists.

Composition of the Board

The name, qualifications and other details of each member of the Board are set out on page 6.

The Board presently comprises one executive director (the Chief Executive, Mr Fred Hilmer) and eight non-executive directors including the Chairman and Deputy Chairman.

The Company's Constitution authorises the Board to appoint directors to vacancies on the Board and to elect the chairman. It also provides that one third of directors (rounded down to the nearest whole number) must retire at every annual general meeting. No director may remain in office for more than three years or the third annual general meeting following appointment without resigning and being re-elected.

The Constitution requires that the Board must have a minimum of three directors and that the Board has the power to set the maximum number of directors from time to time within the maximum of twelve set by the Constitution. Directors have resolved that the maximum number of directors be nine.

Within the rules set by the Constitution, if a vacancy exists on the Board or the Board considers that it would benefit from the services and skills of a new director, the Nomination Committee reviews the suitability of candidates whose names may be put forward by any director. The Committee may seek advice from external consultants. The Board then considers the Nomination Committee's recommendation and, where appropriate, makes the appointment. Any new director appointed by the Board must stand for election at the next general meeting of shareholders.

The terms and conditions of the appointment and retirement of non-executive directors are determined by

the Board except to the extent that shareholder approval is required.

The Nomination Committee uses the following principles to recommend candidates:

- A majority of directors and the Chairman should be non-executive.
- The Board should represent a broad range of expertise consistent with the Company's strategic focus.

The Nomination Committee meets as required. Members during the year were Brian Powers (Chairman), Julia King, Jonathan Pinshaw and Dean Wills.

Independent Professional Advice

Any director may seek independent professional advice at the Company's expense. Prior approval by the Chairman is required, but approval must not be unreasonably withheld.

Directors' Dealings in Company Shares

The Constitution permits (but does not require) directors to acquire shares in the Company. By resolution of the Board each non-executive director must sacrifice 25 percent per annum of his or her director's fees to the Company's Employee Share Acquisition Scheme. Under this Scheme shares are purchased on-market by an independent trustee company on behalf of directors and employees of the Company and its subsidiaries who have salary sacrificed to participate in the Scheme. The dates for share acquisition by the trustee are pre-set and not influenced by directors or employees. Company policy and the law prohibit directors from dealing in Company shares whilst in possession of price sensitive information.

Procedures for Establishing and Reviewing Remuneration Arrangements

The Remuneration Committee of the Board meets annually and otherwise as required to review and make recommendations to the Board on remuneration packages and policies including those of the Chief Executive and directors. Remuneration levels are competitively set to attract qualified and experienced employees. The Committee may obtain independent advice on the appropriateness of remuneration packages. The Chief Executive is invited to Committee meetings as required to discuss management performance and remuneration.

The current remuneration for non-executive directors is set by resolution

of shareholders at \$700,000 per annum in aggregate. Within this limit, the Board determines directors' remuneration with advice from the Remuneration Committee. The Board also takes into account survey data on Directors' fees paid by comparable companies and expert advice it may commission from time to time.

Executive remunerations include a bonus component which is payable according to performance of the individual executive, the financial performance of the Company and the financial performance of the business unit relevant to the executive.

Further details of directors' and senior executives' remuneration are set out in the Directors' Report and the notes to the Full Financial Report.

The members of the Remuneration Committee during the year were Julia King (Chairperson), Sir Roderick Carnegie, Brian Powers and Dean Wills.

Finance and Audit Committee

The Committee advises on the establishment and maintenance of a framework of risk management, internal control and ethical standards for the management of the consolidated entity. The Committee also monitors the quality and reliability of financial information prepared for the Board's use in determining policies or for inclusion in financial statements.

The primary functions of the Committee are to:

- Ensure systems of control effectively safeguard the value of assets;
- Ensure accounting records are maintained in accordance with statutory and accounting requirements;
- Ensure financial statements and other information provided to shareholders is timely, reliable and accurate;
- Review the performance and effectiveness of external auditors;
- Formulate and oversee the key finance and treasury functions of the consolidated entity;
- Formulate and oversee an effective business risk plan;
- Ensure that appropriate policies and procedures are in place with the goal to ensure compliance with all regulatory requirements;
- Monitor the entity's compliance with regulatory and ethical requirements.

Under the direction of the Committee there is a process to comply with all legal and ASX obligations. Compliance with the policy is monitored continuously.

The members of the Finance and Audit Committee during the year were Jonathan Pinshaw (Chairman), Mark Burrows, David Gonski and Brian Powers.

Internal Control Framework

The Board is responsible for the Company's overall internal control framework. To assist in discharging this responsibility, the Board has approved an internal control framework summarised as follows:

- Financial reporting - there is a comprehensive budget process with the annual budget approved by the directors. Weekly and monthly results are reported against budget. The consolidated entity reports to shareholders half-yearly. Procedures are also in place to ensure that price sensitive information is reported to the ASX in accordance with continuous disclosure requirements.
- Operating unit controls - financial controls and procedures including information systems controls are set out in procedures manuals. Management reports on material business issues to the Board at regular Board meetings.
- Investment appraisal - the consolidated entity has defined guidelines for capital expenditure and contract negotiations. These include annual budgets, appraisal and review procedures, levels of authority and due diligence requirements where assets are being acquired or divested.
- Treasury policy - the policy sets out procedures for the management of foreign currency and interest rate exposure, liquidity and credit risks. This policy restricts transactions to those for hedging purposes only and segregates implementation of transactions from account monitoring and settlement.

Under the direction of the Finance and Audit Committee, management has established a Business Risk Group. Assisted by external experts, that Group undertakes regular reviews of business risk across the consolidated entity and is responsible for development and review of the Group's Business Risk Plan.

Ethical Standards

All directors, managers and employees are expected to act with integrity and ethical standards. The Company has documented policies on equal opportunity and standards of workplace behaviour which are communicated to employees at the time of employment and reinforced by employee training programmes.

Directors' Report

The directors present their report for the financial year ended 30 June 2000.

Directors

The directors of the Company in office at the date of this report are:

Mr Brian M. Powers
Non-Executive Chairman

Mr Jonathan S. Pinshaw
Non-Executive Deputy Chairman

Mr Mark Burrows
Non-Executive Director

Sir Roderick Carnegie
Non-Executive Director

Mr David Gonski
Non-Executive Director

Mr Frederick G. Hilmer AO
Chief Executive Officer

Mrs Julia King
Non-Executive Director

Mr David Shein
Non-Executive Director

Mr Dean Wills AO
Non-Executive Director

All directors were in office throughout the financial year and up to the date of this Report.

A profile of each director is included on page 6 of this Report.

Principal Activities

The principal activities of the consolidated entity during the course of the financial year were news,

information and entertainment publishing and advertising sales in newspaper, magazine and electronic formats. Internet businesses include directories, classified supersites, financial services, auctions, shopping and broadband services.

No significant change in the nature of activities took place during the year.

Consolidated Result

The consolidated profit attributable to the consolidated entity for the financial year was \$185,751,000 (1999: \$180,269,000).

Dividends

A final fully franked dividend of 6.5 cents per ordinary share and debenture in respect of the year ended 30 June 1999 was paid on 20 October 1999. This dividend was shown as approved in the previous annual report.

An interim fully franked dividend of 4.5 cents per ordinary share and debenture in respect of the year ended 30 June 2000 was paid on 10 March 2000.

The Board has approved a final fully franked dividend of 7.0 cents per ordinary share and debenture in respect of the year ended 30 June 2000 to be paid on 17 October 2000.

Review of Operations

A review of the operations of the consolidated entity for the financial year is set out on pages 7 to 9 of this report.

Significant Change in State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report.

Subsequent Events

From the end of the financial year to the date of this report, no transaction or event has arisen that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

Likely Developments and Expected Results

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this report because, in the opinion of the directors, to do so would prejudice the interests of the consolidated entity.

Environmental Regulation and Performance

In 1999 the Company appointed an independent expert to audit performance in relation to environmental regulation. That expert has again audited the Company's facilities in 2000.

This year's audit covered an increased number of the Company's facilities. The audit has been completed.

The audit:

- did not reveal any material non-compliance with environmental regulation;
- described a substantial improvement in the Company's environmental performance in relation to environmental regulation;
- described a high level of implementation of recommendations that were made in the 1999 environmental audit report; and
- made further recommendations which are now being implemented.

Rounding

The amounts contained in this Report and the full Financial Report have been rounded off to the nearest thousand dollars under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Directors' Interests

The relevant interest of each director in the share capital of the Company, as at the date of this report is:

Director	Fully Paid Ordinary Shares	Fully Paid Debentures	Options Over Ordinary Shares
B M Powers*	6,566	—	—
J S Pinshaw	9,799	—	—
M Burrows	3,031	—	—
Sir Roderick Carnegie	7,778	—	—
D M Gonski	13,031	—	—
F G Hilmer	40,204	—	3,500,000
J M King	12,678	—	—
D A Shein	15,778	—	—
D R Wills	27,778	—	—

*B M Powers has 73,926,428 units in CPH Investment Corp which owns 109,054,197 shares in John Fairfax Holdings Limited.

Options

Details of options on issue at 30 June 2000 and movements in options during the financial year are included in note 16 of the Full Financial Report.

At the date of this report, total unissued ordinary shares under options granted by the Company were 14,014,000. There are no unissued shares under option as at the date of this report other than those referred to above. These options do not entitle the holder to participate in any share issue of any other body corporate. From 1 July 2000 to the date of this report, no options over ordinary shares were granted, 289,000 shares were issued by virtue of the exercise of options (217,000 options were exercised at \$2.67, 40,000 options were exercised at \$2.64 and 32,000 options were exercised at \$2.77) and no options were forfeited.

Indemnification and Insurance of Officers and Auditors

The directors of the Company and such other officers as the directors determine, are entitled to receive the benefit of an indemnity contained in the Constitution to the extent allowed by the Corporations Law against liabilities incurred by them in their respective capacities in successfully defending proceedings against them.

During or since the financial year, the Company has paid premiums under contracts insuring the directors and officers of the Company and its controlled entities against liability incurred in that capacity to the extent allowed by the Corporations Law. The terms of the policies prohibit disclosure of the details of the liability insured and the premium paid.

There are no indemnities given or insurance premiums paid during or since the financial year for the Auditors.

Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors during the financial year were:

Director	Directors' Meetings		Finance & Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	No. Held*	No. Attended	No. Held*	No. Attended	No. Held*	No. Attended	No. Held*	No. Attended
B M Powers	9	8	7	7	1	1	—	—
J S Pinshaw	9	8	7	7	—	—	—	—
M Burrows	9	8	7	6	—	—	—	—
Sir Roderick Carnegie	9	9	—	—	1	1	—	—
D M Gonski	9	8	7	7	—	—	—	—
F G Hilmer	9	9	—	—	—	—	—	—
J M King	9	9	—	—	1	1	—	—
D A Shein	9	7	—	—	—	—	—	—
D R Wills	9	8	—	—	1	1	—	—

* Reflects the number of meetings held during the time the director held office during the year.

Directors' and Other Officers' Emoluments

Procedures for establishing and reviewing remuneration arrangements are included on page 10. Emoluments of directors for the financial year are as follows:

Director	Director's Fees \$	Finance and Audit Committee Fees \$	Base Salary \$	Bonus \$	Other (Including Superannuation) \$	Total Emoluments \$
B M Powers	125,000	5,000			10,055	140,055
J S Pinshaw	90,000	5,000			6,650	101,650
M Burrows	55,000	5,000			4,200	64,200
Sir Roderick Carnegie	55,000				3,850	58,850
D M Gonski	55,000	5,000			4,200	64,200
F G Hilmer			1,026,709	300,000	95,953	1,422,662
J M King	55,000				3,850	58,850
D A Shein	55,000				3,850	58,850
D R Wills	55,000				3,850	58,850

Emoluments of the five most highly paid executive officers of the Company and the consolidated entity, for the financial year are as follows:

Executive	Base Salary \$	Bonus \$	Other (Including Superannuation) \$	Total Emoluments \$
S Harris	387,826	80,000	96,044	563,870
N Dews	419,150	60,000	84,362	563,512
G Hywood	362,196	75,000	92,418	529,614
M Bayliss	412,274	–	92,424	504,698
R Wood	262,940	50,000	60,442	373,382

There were no options granted to these executives during or since the end of the financial year.

Signed at Sydney on 13 September 2000 in accordance with a resolution of the directors.



Jonathan S. Pinshaw
Chairman Finance & Audit Committee



Frederick G. Hilmer
Chief Executive Officer

Profit and Loss Statements

Fairfax achieved a record profit after tax and abnormals of \$185.8 million (1999: \$180.3 million). Profit after tax pre-abnormals was \$168.7 million, up 25.9% on the previous year. Earnings per share pre abnormals were up 34.0% to 23.2 cents.

Revenues increased 17.5% to \$1.34 billion, principally due to strong growth in advertising and circulation revenues in the publishing business and continued growth in our interactive subsidiary, f2. On a like for like basis revenue increased in the publishing business by 14.7% over the previous year. Focus on both volume growth and yield management resulted in strong growth in both circulation and advertising revenue for newspapers. Magazines, Regionals and Community Newspapers also recorded strong revenue performance. f2 continued its development as a leading online company, with revenue growth of 122% on the prior year.

Costs for the whole of the group increased to \$963.0 million (1999: \$822.8 million), with increases due principally to volume growth and a number of new acquisitions and initiatives during the year. The new acquisitions included remaining interest in CitySearch and Big Colour Pages, Strategic Publishing Group, Post Group and Western Independent. Excluding the impact of these acquisitions, the like for like increase in costs was 11.0%.

For the year ended 30 June 2000 the net abnormal income after tax was \$17.0 million, comprising:

- Share of associate net profit of \$59.4 million representing Fairfax's 44.74% share of AAP Information Services' (AAPIS) net profit for the year ended 30 June 2000.

Offset by:

- f2 float investigation and costs associated with Project Metro.
- Restructure and systems costs mainly relating to GST implementation and other system upgrades.
- Write down of non-current assets.

The Board has announced a fully franked final dividend of 7.0 cents per share, bringing the total dividend for the year to 11.5 cents, up 9.5% on last year's 10.5 cents.

for the year ended 30 June 2000

CONSOLIDATED

	Note	2000 \$000	1999 \$000
Trading revenue	2	1,344,880	1,144,762
Operating expenses			
Staff costs		396,034	341,370
Newsprint and paper		204,460	193,256
Other		362,477	288,139
		962,971	822,765
Operating profit before depreciation, interest, income tax and abnormal items		381,909	321,997
Depreciation and amortisation		(64,681)	(67,091)
Operating profit before interest, income tax and abnormal items		317,228	254,906
Net interest (expense) income		(47,583)	(46,698)
Operating profit before abnormal items and income tax		269,645	208,208
Abnormal items before income tax	3	8,378	26,485
Operating profit before income tax		278,023	234,693
Income tax (expense) benefit attributable to operating profit		(92,552)	(56,174)
Operating profit after income tax		185,471	178,519
Outside equity interests in operating profit after income tax		280	1,750
Operating profit after income tax attributable to members of the Company*		185,751	180,269
Retained profits at the beginning of the financial year		362,430	279,507
Adjustment resulting from adoption of revised accounting standard – AASB 1016:			
Accounting for investments in associates		–	(14,941)
Aggregate amounts transferred from reserves		–	1,089
Total available for appropriation		548,181	445,924
Dividends provided for or paid	4	(84,045)	(76,369)
Aggregate amounts transferred to reserves		–	(7,125)
Retained profits at the end of the financial year		464,136	362,430
* Operating profit after income tax attributable to members of the Company comprises:			
Net profit before abnormal items			
Continued businesses		168,708	134,012
Discontinued businesses		–	456
		168,708	134,468
Abnormal items (net)	3	17,043	45,801
		185,751	180,269

The Profit and Loss Statements should be read in conjunction with the Notes to and forming part of the Financial Statements

Balance Sheets

The Group's total assets increased by \$47.5 million from \$2,105.2 million last year to \$2,152.7 million. Property, plant and equipment contributed \$41.5 million to this increase primarily due to the investment in a new printing facility at Tullamarine. Intangibles rose \$29.7 million as a result of new acquisitions and receivables increased \$16.6 million. Offsetting these increases was the decrease in the carrying amount of investments of \$47.8 million.

The strong operating performance during the period along with the disposal of AAPIS's stake in AAPT enabled the Company to reduce net debt and strengthen the capacity of the balance sheet. Gearing, as measured by net debt as a percentage of shareholders' funds, decreased to 56.2% from 74.8% during the year. Interest cover based on EBITDA increased to 8.0 times from 6.9 times last year.

In March 2000, the Company successfully refinanced \$150 million of short term debt by issuing five year Medium Term Notes to the domestic capital markets. This was the second entry into this market and reaffirms the strong investment grade credit rating which the company currently holds. This facility has further diversified the source of funding, reducing the requirement for short term bank facilities and has allowed the company to lengthen the average term of its committed funding facilities to 4.5 years. The group maintains significant levels of unutilised facilities which can be drawn at short notice.

as at 30 June 2000

CONSOLIDATED

	Note	2000 \$000	1999 \$000
Current assets			
Cash		10,557	19,876
Receivables		208,962	174,882
Inventories		19,291	16,501
Total current assets		238,810	211,259
Non-current assets			
Receivables		13,944	31,460
Investments	7	44,761	92,579
Property, plant and equipment		519,559	478,030
Intangibles		1,276,865	1,247,119
Future income tax benefits		58,804	44,794
Total non-current assets		1,913,933	1,893,982
Total assets		2,152,743	2,105,241
Current liabilities			
Accounts payable		205,363	153,138
Borrowings		5,000	9,700
Provisions		147,156	114,631
Total current liabilities		357,519	277,469
Non-current liabilities			
Borrowings		617,507	746,218
Provisions		89,164	97,092
Total non-current liabilities		706,671	843,310
Total liabilities		1,064,190	1,120,779
Net assets		1,088,553	984,462
Shareholders' equity			
Issued capital		619,163	614,774
Reserves		5,254	6,472
Retained profits		464,136	362,430
Shareholders' equity attributable to members of the Company		1,088,553	983,676
Outside equity interests in controlled entities		–	786
Total shareholders' equity		1,088,553	984,462

The Balance Sheets should be read in conjunction with the Notes to and forming part of the Financial Statements

Statements of Cash Flows

Operating cash generated during the year was \$317.5 million compared to \$242.0 million last year. The increase was primarily due to greater dividends received from associate entity AAPIS and underlying EBITDA growth. Increased tax payments was due to substantial carried forward tax losses being utilised in the previous year.

Net cash used in investing activities during the year was \$129.2 million financed predominantly by operating profits and dividends received from AAPIS, compared to \$5.4 million in the previous year. The major increase in capital expenditure was applied to the Tullamarine printing facility (\$55 million) located in Melbourne. Funds were also used to acquire controlled entities and other investments including the Strategic Publishing Group, Big Colour Pages and f2 Investments.

There were no proceeds from divestments during the year, whereas in the prior year proceeds from the disposal of *Australian Geographic* and other investments largely offset the increase in capital expenditure.

The consolidated entity paid dividends to its shareholders totalling \$80.2 million during the year, up from last year of \$77.5 million.

Net financing cash outflow of \$197.6 million consisted predominantly of net repayment of borrowings of \$133.4 million. In the previous year, funds were used for the buy-back of shares from new borrowings.

for the year ended 30 June 2000

CONSOLIDATED

	2000 \$000	1999 \$000
Cash flows from operating activities		
Receipts from customers	1,302,158	1,130,658
Payments to suppliers and employees	(959,942)	(839,394)
Redundancy and severance payments	(4,239)	(15,158)
Dividends and unit trust income received	109,148	17,525
Interest received	2,419	2,484
Borrowing costs paid	(45,358)	(50,236)
Income taxes paid	(86,696)	(3,831)
Net cash provided by/(used in) operating activities	317,490	242,048
Cash flows from investing activities		
Payment for property, plant & equipment	(97,046)	(53,275)
Proceeds from sale of property, plant & equipment	1,907	11,484
Payment for investments	(10,972)	-
Proceeds from sale of investments	1	11,258
Payment for controlled entities	(15,532)	(5,304)
Proceeds from sale of controlled entities/businesses	-	46,772
Payment for mastheads and tradenames	(5,788)	(4,925)
Loans and deposits issued	(1,777)	(11,383)
Advances from controlled entities	-	-
Net cash (used in)/provided by investing activities	(129,207)	(5,373)
Cash flows from financing activities		
Proceeds from issues of shares and debentures	4,389	4,831
Payment for buy-back of shares	-	(250,612)
Dividends paid	(80,165)	(77,499)
Proceeds from borrowings	159,235	442,664
Repayment of borrowings	(292,646)	(361,563)
Loan from associated entity	11,585	23,467
Net cash used in financing activities	(197,602)	(218,712)
Net increase/(decrease) in cash held	(9,319)	17,963
Cash at the beginning of the financial year	19,876	1,913
Cash at the end of the financial year	10,557	19,876

The Statements of Cash Flows should be read in conjunction with the Notes to and forming part of the Financial Statements

Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation

The Concise Financial Report has been prepared in accordance with the requirements of the Corporations Law and Accounting Standard AASB 1039: Concise Financial Reports.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year. A full description of the accounting policies adopted by the consolidated entity is provided in the Company's Full Financial Report.

Industry and geographical segments

The consolidated entity operates predominantly within the media industry and predominantly within Australia.

	CONSOLIDATED	
	2000 \$000	1999 \$000
2. Trading Revenue		
Operating Revenue		
Advertising and circulation revenue		
generated from sale of:		
Newspapers	1,135,986	986,544
Magazines	129,887	109,147
Other	66,301	37,891
	1,322,174	1,133,582
Revenue from rendering of services	11,806	10,305
Dividend income:	500	545
Distributions from unit trusts	400	330
Trading Revenue	1,344,880	1,144,762

	CONSOLIDATED	
	2000 \$000	1999 \$000
3. Abnormal Items		
Abnormal items of income (expense) comprise:		
Share of associates net abnormal profit	59,382	98,565
Income tax expense applicable	-	-
Restructure and redundancy costs	(4,994)	(12,289)
Income tax benefit applicable	1,798	4,424
f2 float investigation and launch costs	(3,541)	-
Income tax benefit applicable	533	-
GST and System costs	(17,595)	(11,592)
Income tax benefit applicable	6,334	4,173
Superannuation contribution		
shortfall relating to prior years	-	(7,474)
Income tax benefit applicable	-	2,691
Disposal of controlled entities/businesses	-	(1,920)
Disposal of non-current assets	-	2,265
Income tax expense applicable	-	(252)
Write down of non-current assets	(24,874)	(41,070)
Income tax benefit applicable	-	13,320
Prior years tax losses recognised	-	(5,040)
Net abnormal items after income tax	17,043	45,801
Abnormal items before income tax	8,378	26,485
Income tax benefit	8,665	19,316
	17,043	45,801

Notes to the Financial Statements (continued)

	CONSOLIDATED	
	2000 \$000	1999 \$000
4. Dividends Paid and Proposed		
Fully franked interim dividend of 4.5 cents per share/debenture paid 10 March 2000 (1999: 4.0 cents fully franked, paid 31 March 1999)	32,845	29,049
Proposed fully franked final dividend of 7.0 cents per share/debenture (1999: 6.5 cents fully franked paid 20 October 1999)	51,200	47,320
Total dividends provided for or paid	84,045	76,369
The tax rate at which dividends have or will be franked is 36% (1999: 36%). Franking credits available at 30 June 2000 total \$198.4 million (1999: \$15.9 million). From these amounts \$51.2 million will be used to pay a fully franked dividend proposed at 30 June 2000 and is expected to be paid on 17 October 2000. Due to the changes in tax legislation, dividends paid from 1 July 2000 to 30 June 2001 attract a maximum franking credit of 34%. Approximately \$112 million franking credits will arise from the payment of income tax payable as at the end of the financial year. It is anticipated that dividends payable in the following year will be fully franked.		
	2000	1999
5. Earnings Per Share		
Basic earnings per share (cents) based on operating profit:		
Before abnormal items	23.15	17.28
After abnormal items	25.49	23.16
Diluted earnings per share has not been disclosed as it is not materially different from basic earnings per share.		
Weighted average number of ordinary shares and debentures used in the calculation of basic earnings per share ('000s)	728,795	778,272

6. Contingent Liabilities

Related bodies corporate

Under the terms of an ASIC class order, the Company and certain controlled entities have guaranteed any deficiency of funds if any party to the class order is wound up. No such deficiency exists.

Other persons

From time to time, entities in the consolidated entity are sued for defamation and similar matters in the ordinary course of business. The amount of contingency for such actions cannot be determined with any accuracy. However, on the basis of professional advice, the accounts incorporate adequate provision to cover material contingencies.

7. Investments in Associates

Included in the investments total is our share in associated companies at equity accounted amounts.

The consolidated entity has a 44.7% ownership interest in AAP Information Services Pty Limited (AAPIS). The principal activities of AAPIS are operating the business of a news agency, disseminating news and information to the media and business communities, providing and maintaining communications networks and facilities, and developing communications technology.

	2000 \$000	1999 \$000
Share of associate's profit		
Share of associate's abnormal profit before income tax	102,364	146,492
Share of associate's income tax expense attributable to abnormal profit	(42,982)	(47,927)
Share of associate's net abnormal profit	59,382	98,565
Carrying amount of investment in associate		
Balance at the beginning of the year	89,738	24,367
Adjustment resulting from adoption of revised accounting standard – AASB 1016:		
Accounting for Investment in Associates	–	(16,544)
Share of associate's net profit	59,382	98,565
Dividends received from associates	(108,248)	(16,650)
Transfers to reserves	(5,523)	–
Balance at the end of the financial year	35,349	89,738

The consolidated entity also has a 50% ownership interest in f2 Investments Pty Ltd. The principal activities are investing in interactive businesses. There was no contribution to operating profit of the consolidated entity during the financial year.

Independent Audit Report to the members of John Fairfax Holdings Limited

Scope

We have audited the Concise Financial Report of John Fairfax Holdings Limited for the financial year ended 30 June 2000, as set out on pages 13 to 15, in order to express an opinion on it to the members of the Company. The Company's directors are responsible for the Concise Financial Report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the Concise Financial Report is free of material misstatement. We have also performed an independent audit of the Full Financial Report of John Fairfax Holdings Limited for the year ended 30 June 2000. Our audit report on the Full Financial Report was signed on 13 September 2000, and was not subject to any qualification.

Our procedures in respect of the audit of the Concise Financial Report included testing that the information in the Concise Financial Report is consistent with the Full Financial Report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the Full Financial Report. These procedures have been undertaken to form an opinion whether, in all material respects, the Concise Financial Report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports".

The audit opinion expressed in this Report has been formed on the above basis.

Audit Opinion

In our opinion, the Concise Financial Report of John Fairfax Holdings Limited complies with Accounting Standard AASB 1039 "Concise Financial Reports".

Ernst & Young

Sydney
Date: 13 September 2000

Brian Long
Partner

Shareholder Information

Performance Summary

Twenty largest holders of securities at 22 August 2000

	NO. OF SECURITIES	%
(i) Ordinary shares		
CPH Investment Corp	109,054,197	14.92
Chase Manhattan Nominees Limited	72,373,390	9.90
National Nominees Limited	61,834,509	8.46
Westpac Custodian Nominees Limited	31,736,713	4.34
Permanent Trustee Australia Limited (FIR0020 A/C) ...	24,266,007	3.32
Perpetual Nominees Limited	22,597,581	3.09
Permanent Trustee Australia Limited (FIR0018 A/C) ...	18,988,066	2.60
Permanent Trustee Australia Limited (FIR0027 A/C) ...	18,388,749	2.52
Citicorp Nominees Pty Limited	14,931,301	2.04
HSBC Custody Nominees (Australia) Limited	14,851,157	2.03
Queensland Investment Corporation	11,282,164	1.54
AMP Life Limited	10,635,928	1.46
Permanent Trustee Australia Limited (FIR0014 A/C) ...	10,596,066	1.45
Zurich Australia Limited	9,065,782	1.24
MLC Limited	8,212,241	1.12
BT Custodial Services Pty Limited (EQUI A/C)	7,592,733	1.04
Perpetual Trustees Nominees Limited	6,388,973	0.87
Westpac Life Insurance Services Limited	6,313,912	0.86
ANZ Nominees Limited	6,148,025	0.84
Commonwealth Custodial Services Limited	6,105,026	0.84
	471,362,520	64.48
(ii) Debentures		
National Financial Services	281	100.00
	281	100.00

(iii) Options

All options were issued to employees of the Company (or its related entities) and are not listed separately.

Substantial shareholders

Substantial shareholders as shown in substantial shareholder notices received by the Company at 22 August 2000 are:

	ORDINARY SHARES
Consolidated Press Holdings Limited	109,054,197
Commonwealth Bank of Australia	105,996,818
Colonial Limited	89,867,661
Permanent Trustee Company Limited	82,469,593
Perpetual Trustees Australia Limited	57,872,984
Deutsche Australia Limited	37,632,447

Distribution schedule of holdings at 22 August 2000

NO. OF SECURITIES	NO. OF ORDINARY SHAREHOLDERS	NO. OF DEBENTURE HOLDERS	NO. OF OPTION HOLDERS
1 – 1,000	8,818	1	–
1,001 – 5,000	18,782	–	4
5,001 – 10,000	2,983	–	46
10,001 – 100,000	1,560	–	194
100,001 and over	182	–	20
Total number of holders	32,325	1	264
Number of holders holding less than a marketable parcel	98	–	–

Voting rights

Voting rights of shareholders are governed by Rules 5.8 and 5.9 of the Company's Constitution which provide that every member present personally or by proxy, attorney or representative shall on a show of hands have one vote and on a poll, shall have one vote for every share held. Debentures and options do not carry any voting rights.

		2000	1999	1998	1997	1996	1995	1994
Total Revenue	\$m	1,408.6	1,315.3	1,153.6	1,027.9	1,006.1	948.4	846.6
Trading Revenue	\$m	1,344.9	1,144.8	1,109.3	1,023.2	995.9	945.3	842.6
Earnings before depreciation, interest and tax (EBITDA)	\$m	381.9	322.0	293.1	253.0	237.1	279.3	227.9
Depreciation	\$m	64.7	67.1	69.3	68.2	41.5	26.2	22.3
Earnings before interest and tax	\$m	317.2	254.9	223.8	184.8	195.6	253.1	205.6
Net interest expense	\$m	47.6	46.7	55.9	67.0	44.0	36.6	37.0
Profit before tax and abnormals	\$m	269.6	208.2	167.9	117.8	151.6	216.5	168.6
Abnormal items	\$m	8.4	26.5	(8.5)	(16.4)	(21.9)	(10.9)	(4.2)
Profit before tax	\$m	278.0	234.7	159.4	101.4	129.7	205.6	164.4
Income tax	\$m	92.6	56.2	47.6	27.4	42.2	58.3	53.7
Net profit	\$m	185.8	180.3	111.8	74.0	87.5	147.3	110.7
Shareholders' equity	\$m	1,088.6	984.5	1,142.4	1,090.6	1,086.0	1,073.7	1,007.5
Total assets	\$m	2,152.7	2,105.2	2,098.2	2,165.4	2,223.1	2,084.2	1,864.1
Total borrowings	\$m	622.5	755.9	669.5	812.6	867.0	763.0	665.8
Number of shares and debentures	m	730.6	728.0	806.9	798.0	796.0	795.0	790.5
Number of shareholders		32,325	21,353	19,211	21,073	22,481	21,248	20,166
EBITDA to Trading Revenue	%	28.4	28.1	26.4	24.7	23.8	29.5	27.0
Earnings per share	cents	25.5	23.2	14.0	9.3	11.0	18.6	14.5
Cash flow per share	cents	43.5	33.2	26.3	23.7	14.6	30.0	22.7
Dividend per share	cents	11.5	10.5	9.5	9.5	9.5	9.5	7.5
Interest cover based on EBITDA	times	8.0	6.9	5.2	3.8	3.6	5.4	5.7
Gearing	%	57.2	76.8	58.6	74.5	79.8	71.0	66.1
Return on shareholders' equity	%	17.1	18.3	9.8	6.8	8.1	13.7	11.0

Directory

Annual General Meeting

The Annual General Meeting will be held at 11.00 am on Friday, 3 November 2000 in the Grand Ballroom, The Regent Sydney Hotel, 199 George Street, Sydney.

Financial Calendar

For Financial Year 1999-2000

Books close for final dividend 10 October 2000
Annual General Meeting 3 November 2000
Final dividend mailed 17 October 2000

Estimated for Financial Year 2000-2001

Interim result and dividend announcement March 2001
Books close for interim dividend April 2001
Interim dividend mailed April 2001
Preliminary final result and dividend announcement September 2001
Final dividend mailed October 2001
Annual General Meeting November 2001

Company secretary

Gail Hambly

Registered office

Level 19
Darling Park
201 Sussex Street
Sydney NSW 2000

Share registry

Computershare Registry Services Pty Limited Level 3 60 Carrington Street Sydney NSW 2000 Ph.: (02) 8234 5222 email: sydney.services@computershare.com.au	Computershare Registry Services Pty Limited C/- Ernst & Young 51 Allara Street Canberra City ACT 2601 Ph.: (02) 6267 3888
--	--

Stock exchange listing

The Company's ordinary shares are listed on the Australian Stock Exchange Limited – "FXJ".

Important information about this concise report

The Concise Financial Report contained within this document has been derived from the Full Financial Report of John Fairfax Holdings Limited and Controlled Entities for the year ended 30 June 2000 and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the Full Financial Report.

To obtain a free copy of the Full Financial Report, contact Computershare Registry Services – see contact details above.

Website

This Concise Report and the Company's Full Financial Report can be found via the Fairfax Corporate Website at www.fxj.com.au. The Company's family of websites can be accessed through www.f2.com.au.

Removal from annual report mailing list

Shareholders who do not wish to receive either the Full Financial Report or the Concise Report should advise the Share Registry in writing.

Consolidation of shareholdings

Shareholders who wish to consolidate their separate shareholdings into one account should advise the Share Registry in writing.

Direct payment to shareholder's accounts

Dividends may be paid directly to bank accounts in Australia. These payments are electronically credited on the dividend date and confirmed by a mailed payment advice. Shareholders are required to advise the Share Registry of their tax file number so that dividends can be paid without tax being withheld.

Buy-Back

The Company has no current on-market share buy-back programme in operation.