



Fairfax Media Limited
(previously John Fairfax Holdings Limited)
ABN 15 008 663 161

ASX Appendix 4D
for the half year ended 31 December 2006

The information contained in this document should be read in conjunction with the Fairfax Media Limited Half Year Report for the half year ended 31 December 2006 and the Fairfax Media Limited (previously John Fairfax Holdings Limited) Annual Report for the financial year ended 30 June 2006 and any public announcements made by Fairfax Media Limited and its controlled entities during the year in accordance with continuous disclosure obligations arising under the ASX Listing Rules.

Appendix 4D

for the half year ended 31 December 2006

Commentary on results for the half year

Excluding the effects of significant and non-recurring items in the current and previous corresponding period, the key highlights of trading performance of the Company for the six months ended 31 December 2006 are:

- Trading revenue increased 4.1% to \$1,017.7 million.
- Earnings before interest and tax increased 2.5% to \$229.2 million.
- Net profit after tax, minority interest and SPS eased 2.7% to \$121.4 million.
- Earnings per share (post SPS dividend) decreased 10.3% to 12.1 cents.
- Dividend declared of 10 cents per share fully franked.

The significant and non-recurring item for the half year ended 31 December 2006 was the sale of the Group's investment in Carsales.com.au Limited.

For further comments, refer to press release.

Dividends

	Amount per security	Franked amount per security
31 December 2006		
Interim dividend - ordinary shares	10¢	10¢
Record date for determining entitlements to the interim dividend		26 February 2007
Semi-annual dividend - SPS	\$4.3721	-
Final dividend - PRESSES	\$0.8921	\$0.8921
31 December 2005		
Interim dividend - ordinary shares	8¢	8¢
Record date for determining entitlements to the interim dividend		16 March 2006
Interim dividend - PRESSES	\$3.7101	\$3.7101
Record date for determining entitlements to the PRESSES		1 December 2005

Dividends paid and proposed

	December 2006 \$'000
Final fully franked dividend of 11.5 cents per share - paid 6 October 2006	116,182
SPS dividend of \$4.3721 per share - paid 31 October 2006	13,116
Final fully franked PRESSES dividend of \$0.8921 per share - paid 4 August 2006	2,230

Dividends proposed and not recognised as a liability

Since 31 December 2006, the directors have declared an interim dividend of 10 cents per fully paid ordinary share fully franked at the corporate tax rate of 30%. The aggregate amount of the interim dividend to be paid on 21 March 2007 out of the retained profits at 31 December 2006, but not recognised as a liability at the end of the half year is expected to be \$102.2 million.

Appendix 4D

for the half year ended 31 December 2006

Dividends paid and proposed (continued)

Franking credits available

The Company's franking account balance as at 31 December 2006 is \$51 million. This balance represents the tax-paid amount and equates to a fully franked distributable dividend of \$119 million.

Dividend Reinvestment Plan (DRP)

Under the Fairfax Media Limited DRP, eligible shareholders are able to elect to reinvest their dividends in additional Fairfax shares, free of any brokerage or other transaction costs. Shares are issued and/or transferred to DRP participants at a predetermined price, less any discount that the directors may elect from time to time. The directors have resolved not to apply a discount to the interim dividend for 2007.

The DRP will apply to the payment of the interim dividend for the half year ended 31 December 2006. The last date for the receipt of an election notice for participation in the plan for the interim dividend is 26 February 2007. Shares will be issued on 21 March 2007 in respect of the interim dividend.

The DRP issue price in relation to the interim dividend for the half year ended 31 December 2006 will be based on the arithmetic average of the daily volume weighted average sale price of Fairfax Media Limited shares traded on the Australian stock exchange during the period 26 February 2007 to 9 March 2007 inclusive, excluding any trades that do not qualify under the terms of the DRP.

Investments accounted for using the equity method

	Note	December 2006 \$'000	December 2005 \$'000
Shares in associates	(a)	15,822	12,582
Shares in joint ventures	(b)	-	1,139
Total investments accounted for using the equity method		15,822	13,721

(a) Interests in associates

The consolidated entity has the following ownership interests in both Australia and New Zealand:

Name of Company	Principal Activity	Place of Incorporation	Ownership interest	
			Dec 2006	Dec 2005
Executive Publishing Network	Magazine Publishing	Australia	30.0%	-
Australian Associated Press Pty Limited	News agency business and information service	Australia	44.7%	44.7%
NGA.net.au	E-commerce: recruitment software	Australia	30.0%	30.0%
Newspaper House Limited	Property ownership	New Zealand	45.5%	45.5%
New Zealand Press Association Limited	News agency business and financial information service	New Zealand	49.2%	49.2%
Times Newspapers Limited	Newspaper Publishing	New Zealand	50.0%	50.0%
Ashburton Guardian Co Limited	Printing facility	New Zealand	25.0%	25.0%
Autobase Limited	E-commerce: online vehicle dealer automotive website	New Zealand	24.7%	-

Appendix 4D

for the half year ended 31 December 2006

Investments accounted for using the equity method (continued)

(a) Interests in associates (continued)

Share of associates' profits

	December 2006 \$'000	December 2005 \$'000
Profit before income tax expense	151	6,110
Income tax expense	(46)	(1,872)
Net profit after income tax expense	105	4,238

(b) Interests in Joint Ventures

Name of Company	Principal Activity	Place of Incorporation	Ownership interest	
			Dec 06	Dec 05
Text Pacific Pty Limited	Publishing	Australia	-	50%

On 30 September 2006, the consolidated entity disposed of its 50% interest in Text Pacific Pty Limited.

Share of joint ventures' profit

For the period up until the sale of the joint venture, being 1 July 2006 to 30 September 2006, the share of joint ventures' profits were:

	December 2006 \$'000	December 2005 \$'000
Revenues	2,544	4,879
Expenses	(2,405)	(4,091)
Profit before income tax expense	139	788
Income tax expense	(57)	(239)
Net profit after income tax expense	82	549

Net tangible assets per share

	December 2006 ¢	December 2005 ¢
Net tangible asset backing per ordinary share	(59.1)	(78.8)
Net asset backing per ordinary share	2.53	2.07

Appendix 4D

for the half year ended 31 December 2006

Control gained over entities during the half year

The consolidated entity gained control over the following entities in Australia and New Zealand during the half year:

Entity or business acquired	Principal activity	Date of Acquisition	Ownership Interest
The Border Morning Mail Limited	Newspaper Publishing	25 July 2006	100%
Border Mail Printing Pty Limited	Printing facility	25 July 2006	75.5%
Melbourne Community Newspapers Pty Ltd	Newspaper Publishing	25 July 2006	100%
The Independent News Pty Limited	Newspaper Publishing	25 July 2006	100%
NE Investments Pty Limited	Dormant	25 July 2006	100%

Contribution of acquired entities to net profit

For the period since acquisition, being 25 July 2006 to 31 December 2006, the Border Morning Mail entities have contributed net profit after income tax expense of \$3.9 million. Synergies derived in other parts of the Group as a result of the BMM acquisition have not been incorporated into the above result.

As the acquisition occurred on 25 July 2006, the impact on the consolidated net profit after income tax expense, had the acquisition instead taken place on 1 July 2006, is not material.

Loss of control of entities during the half year

The consolidated entity disposed of its 50% investment in Text Pacific Pty Limited on 30 September 2006.

For the period 1 July 2006 to 30 September 2006, Text Pacific Pty Limited contributed \$82,000 to the consolidated entity net profit after income tax expense (2005: \$549,000)

Appendix 4D

for the half year ended 31 December 2006

Fairfax Media Limited Schedule of movements on underlying performance

	Note	As reported		Note	Adjustments (significant items)		Underlying trading performance	
		Dec-06 6 months \$'000	Dec-05 6 months \$'000		Dec-06 6 months \$'000	Dec-05 6 months \$'000	Dec-06 6 months \$'000	Dec-05 6 months \$'000
Revenue	(i)	1,030,892	977,617	(v)	(13,227)	-	1,017,665	977,617
Associate and joint venture profits	(ii)	187	4,789	(v)	-	(4,380)	187	409
Expenses	(iii)	747,203	728,419	(v)	-	(13,305)	747,203	715,114
Operating EBITDA		283,876	253,987		(13,227)	8,925	270,649	262,912
Depreciation and amortisation		41,495	39,380		-	-	41,495	39,380
EBIT		242,381	214,607		(13,227)	8,925	229,154	223,532
Net interest expense	(iv)	51,700	48,831		-	-	51,700	48,831
Net profit before tax		190,681	165,776	(v)	(13,227)	8,925	177,454	174,701
Tax expense		48,145	45,561	(vi)	-	3,991	48,145	49,552
Net profit after tax		142,536	120,215		(13,227)	4,934	129,309	125,149
Net profit attributable to minority interest		359	310		-	-	359	310
Net profit		142,177	119,905		(13,227)	4,934	128,950	124,839
SPS Dividend (net of tax)		7,535	-		-	-	7,535	-
Net profit after tax and SPS dividend		134,642	119,905		(13,227)	4,934	121,415	124,839

Notes:

- (i) Revenue excluding interest income
- (ii) Share of net profits of associates and joint ventures
- (iii) Expenses from ordinary activities excluding depreciation, amortisation and finance costs
- (iv) Interest income less finance costs
- (v) Significant and non-recurring items (refer note 4: half year financial report ended 31 December 2006)
- (vi) The consolidated entity has utilised existing capital losses and as such no income tax is payable on the disposal of Carsales.com.au Limited investment.