

Fairfax

Financial Results Briefing

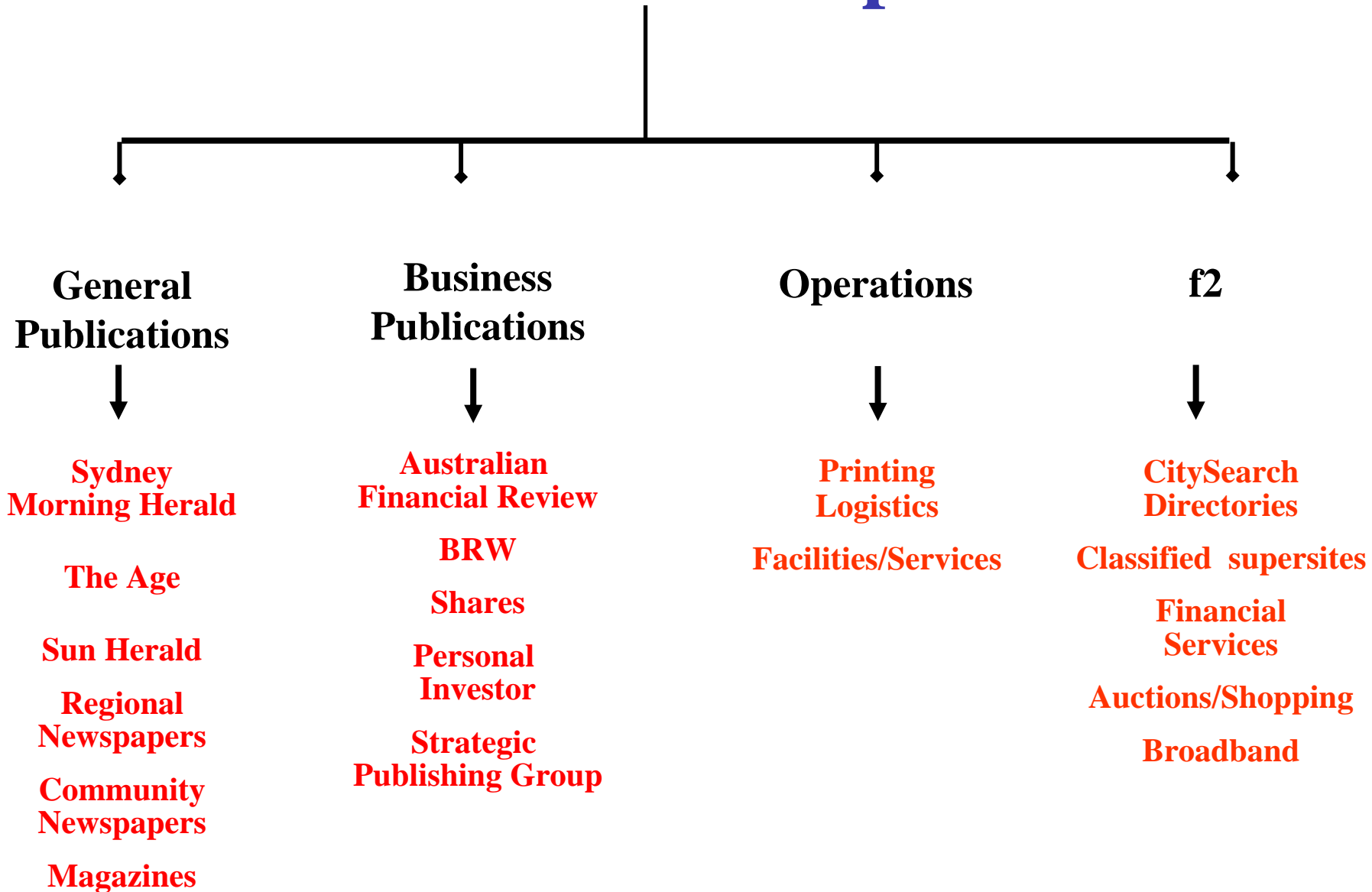
30 June 2000

5 September 2000

Our results are consistent with Fairfax being

- 1) An outstanding quality publishing business
- 2) A leading online business
- 3) A growth company beyond our historic, geographic and product footprints

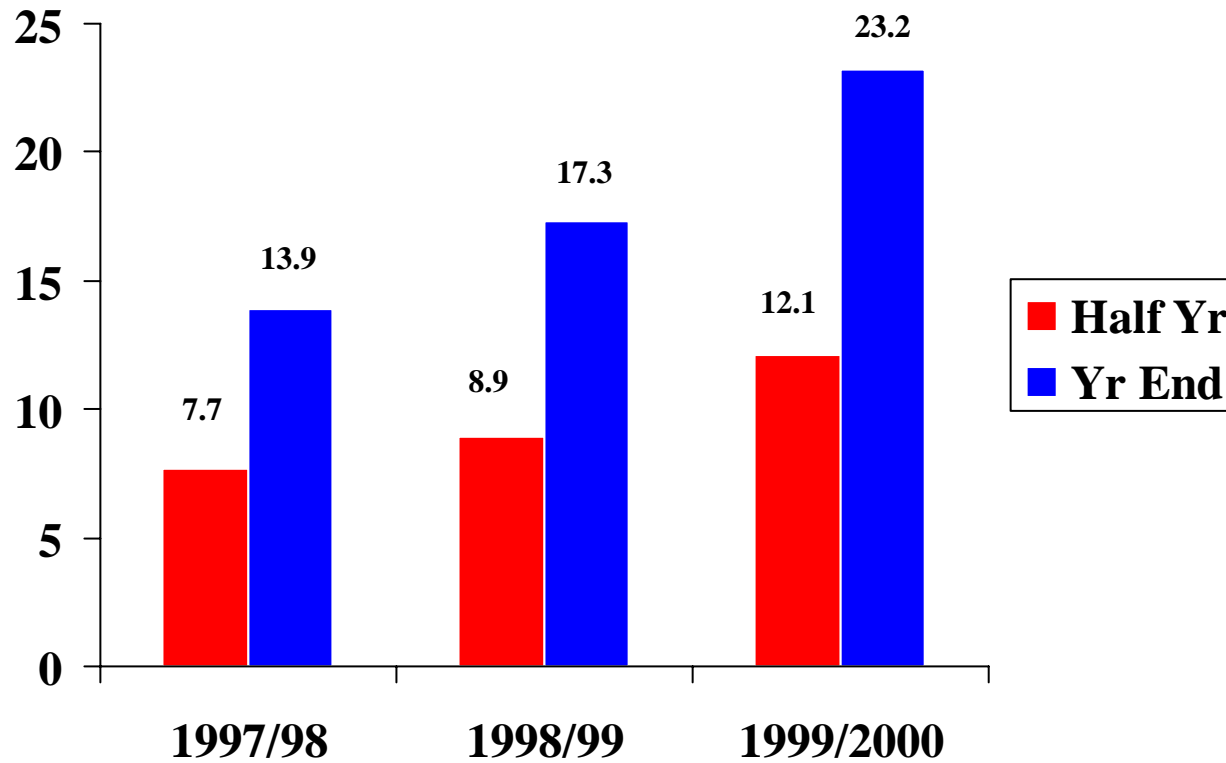
Fairfax Group



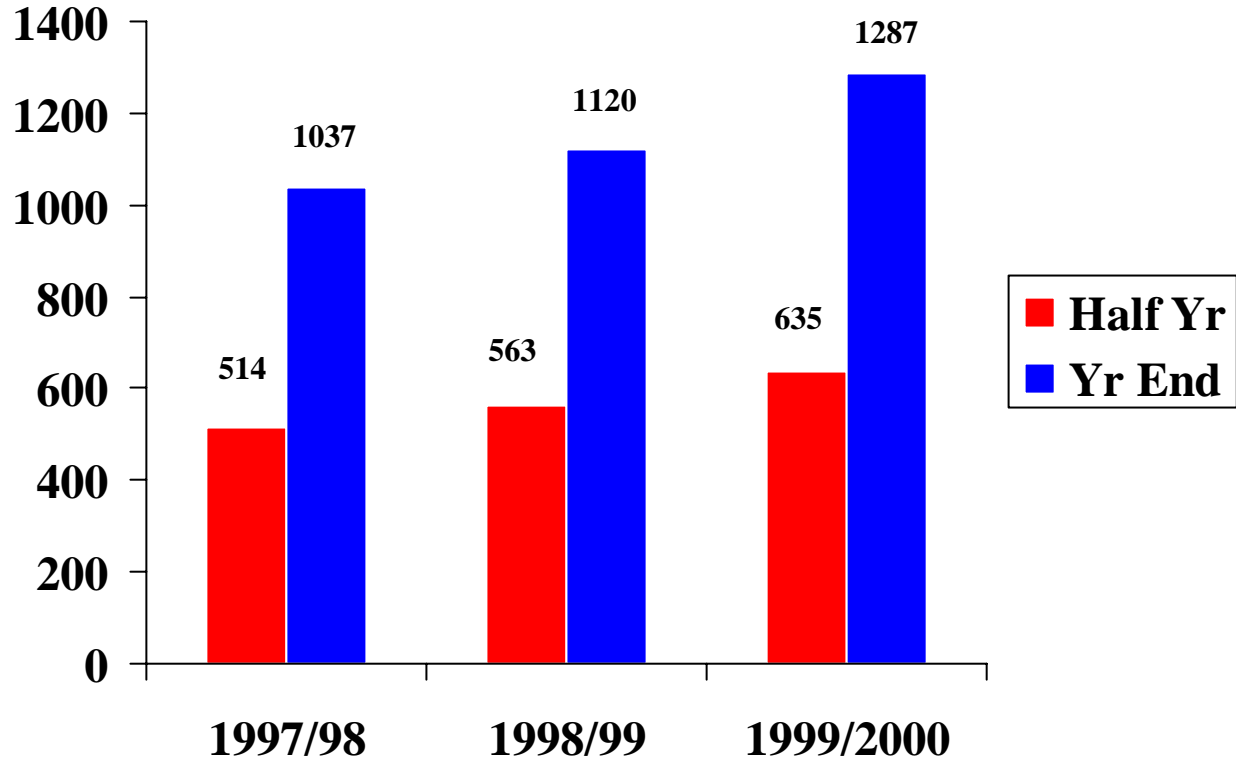
Financial Highlights

- ◆ Record profit after tax of \$185.8 million
- ◆ Profit after tax pre abnormals of \$168.7 million
 - up 25.9% on pcp
 - up 36.6% on pcp on a like for like basis
- ◆ Eps pre abnormals
 - up 34.0% to 23.2 cents on pcp
 - up 46% on pcp on a like for like basis
- ◆ Dividend up 9.5% to 11.5 cents

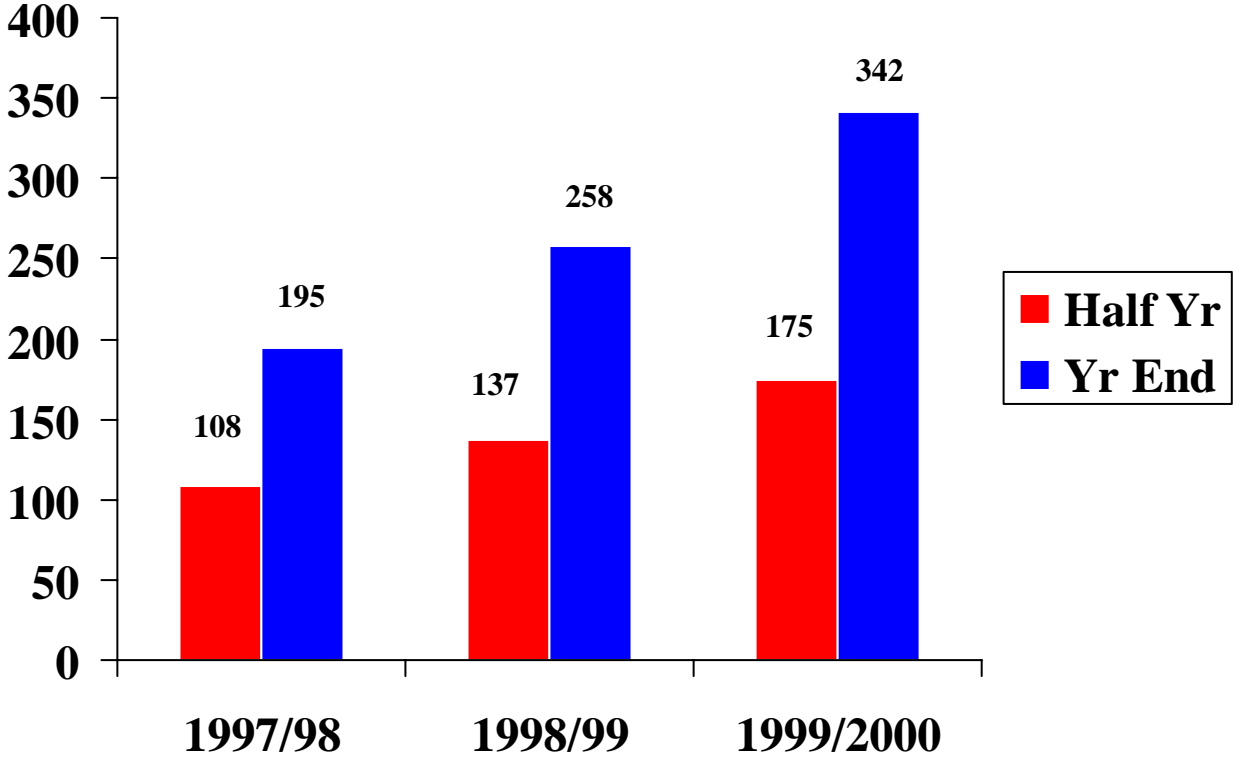
Eps Pre Abnormal Items (cents per share)



Revenue - Like for Like Basis (A\$'million)



EBIT - Like for Like Basis (A\$'million)



An outstanding quality publishing business

- ◆ Continued leadership in journalism
- ◆ Significant product improvement and innovation
 - Revamps
 - New sections
 - New products
- ◆ Revenue growth of 14.7%
- ◆ EBIT Margins up from 24.1% to 28%
- ◆ Tullamarine on track, new expansion announced for Chullora

A leading online business - f2

- ◆ Continued development of f2 as a leading online company with 4 core areas of growth
 - CitySearch Directories
 - Classified Supersites
 - Financial Services
 - Auctions and Shopping
- ◆ Revenues up 122% to 55.4m
 - online up 159%
 - print up 18%
- ◆ EBIT loss in midpoint of planned range at \$40.7m
- ◆ Pursuing distribution of content over new delivery platforms

Financial Performance

Summary Profit & Loss

	2000 \$ m	1999 \$ m	Var %
Trading Revenue	1344.9	1144.8	17.5%
Costs	963.0	822.8	-17.0%
EBITDA	381.9	322.0	18.6%
Depreciation	64.7	67.1	3.6%
EBIT	317.2	254.9	24.4%
Interest (net)	47.6	46.7	-1.9%
Profit before abnormals and tax	269.6	208.2	29.5%
Abnormal Items	8.4	26.5	-
Profit before Tax	278.0	234.7	18.5%
Tax	92.5	56.2	64.8%
Outside Equity Interest	0.3	1.8	-
Net Profit	185.8	180.3	3.0%
Net Profit after tax, pre abnormals	168.7	134.5	25.5%
EPS (cents) – pre abnormals	23.2	17.3	34.0%

Abnormal Items

	Gross \$ m	Tax \$ m	Net \$m
Restructure and systems costs	-22.6	8.1	-14.5
f2 float investigation/Metro	-3.5	0.5	-3.0
Write down of assets	-24.9	-	-24.9
Share of associates net profit	59.4	-	59.4
Total	8.4	8.6	17.0

Balance Sheet

	2000	1999
	\$ m	\$ m
Intangibles	1276.9	1247.1
Property, plant and equipment	519.6	478.0
Investments	44.8	92.6
Receivables	222.9	206.4
Inventories	19.3	16.5
Other Assets	58.8	44.8
Net Borrowings	-612.0	-736.0
Other Liabilities	-441.7	-364.9
Net Assets	1088.6	984.5
Net Assets per share	1.49	1.35

Cashflow Summary

	2000	1999
	\$ m	\$ m
EBITDA	381.9	322.0
Working capital movements	-39.7	-30.7
Dividends received from associates	108.2	16.7
Net Interest (paid) / received	-42.9	-47.8
Income taxes paid	-86.7	-3.8
Other	-3.3	-14.3
Free cash flow	317.5	242.1
<u>Utilised as follows:</u>		
Decrease/ increase in net debt	-124.1	63.1
Net capital expenditure	-95.1	-41.8
Net investments	-26.5	52.8
Dividends paid	-80.2	-77.5
Loans received– associated entities	9.8	12.1
Payment for intangibles	-5.8	-4.9
Other	4.4	-245.9

Key Financials

	2000	1999
	\$ m	\$ m
EBITDA/Sales	28.4%	28.1%
EBIT/Sales	23.6%	22.3%
Publishing EBITDA/Sales	32.6%	30.0%
Publishing EBIT/Sales	27.8%	24.0%
Interest cover (times)	8.0	6.9
Net Debt	612.0	736.0
Gearing	56.2%	74.8%

Profit & Loss: Comparing Like for Like

	As reported			Like for like adjustments		Like for Like		
	2000 \$m	1999 \$m	Var %	2000 \$m	1999 \$m	2000 \$m	1999 \$m	Var %
Trading Revenue	1344.9	1144.8	17.5%	57.6	24.8	1287.3	1120.0	14.9%
Costs	963.0	822.8	-17.0%	80.1	27.4	882.9	795.4	-11.0%
EBITDA	381.9	322.0	18.6%	-22.5	-2.6	= 404.4	324.6	24.6%
Depreciation	64.7	67.1	3.6%	2.2	0.7	62.5	66.4	5.9%
EBIT	317.2	254.9	24.4%	-24.7	-3.3	341.9	258.2	32.4%

Note: Like for like adjustments comprise the effects of acquisitions in 2000 and disposal in 1999

Publishing Highlights

- ◆ General Newspapers
 - Revenues up 13.2% due to both volume and yield
 - Extensive product innovations
 - Improved margins
 - Solid circulation and readership
- ◆ Business Publications
 - Revenues up 25.4% due to advertising (29.0%) and circulation (18.4%)
 - Market Wrap, Boss, SPG, CNBC and News Alert innovations
 - Strong magazine performances
- ◆ Operations
 - Capacity additions under way
 - Improved on-time performance
 - Lower costs per page

Major Product Initiatives

	SMH	Age	AFR	SH
New Sections	✓	✓	✓	✓
Main Book	✓		✓	
Geographic Editions		✓		✓
New Magazines	✓	✓	✓	✓

Publishing - Financials

- ◆ Revenue growth of 14.7% to \$1275.5 million
 - Advertising +16.6%
 - Circulation +6.7%
- ◆ EBIT up 32.8% to \$356.5 million
- ◆ Margins
 - EBIT up from 24.1% to 28.0%
 - EBITDA up from 30.1% to 32.8%
- ◆ Costs up 10.2% to \$857.3 million
 - Volume effects and new initiatives account for about ½ increase
- ◆ Magazines - revenue growth of 14.4%
- ◆ Regional/Community Newspapers - revenue growth of 17.5%

Note: Like for like adjustments comprise the effects of acquisitions in 2000 and disposal in 1999

Publishing - Financials

- ◆ Advertising Revenues
 - Classified up over 14.2%
 - Display up over 21.3%
- ◆ Advertising Volumes
 - Metropolitan classified up 5.1%
 - Metropolitan display up 13.6%

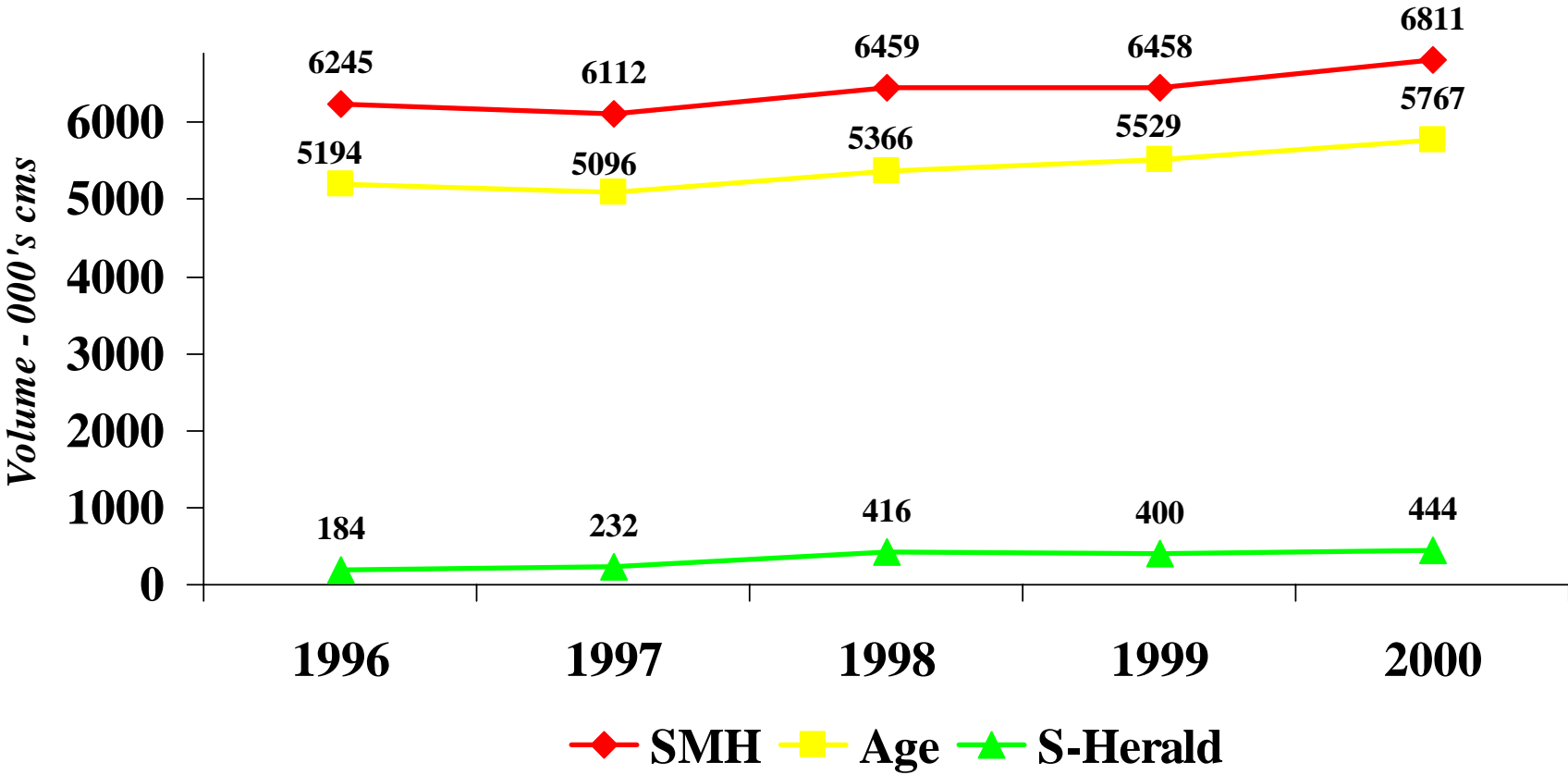
Profit & Loss: Publishing Business

	2000	1999	Var	Var
	\$ m	\$ m	\$	%
Trading Revenue	1275.5	1112.1	163.4	14.7%
Costs	857.3	777.7	-79.6	-10.2%
EBITDA	418.2	334.4	83.8	25.1%
Depreciation	61.7	66.0	4.3	6.5%
EBIT	356.5	268.4	88.1	32.8%
EBITDA %	32.8%	30.1%		
EBIT %	28.0%	24.1%		

Note: Like for like adjustments comprise the effects of acquisitions in 2000 and disposal in 1999

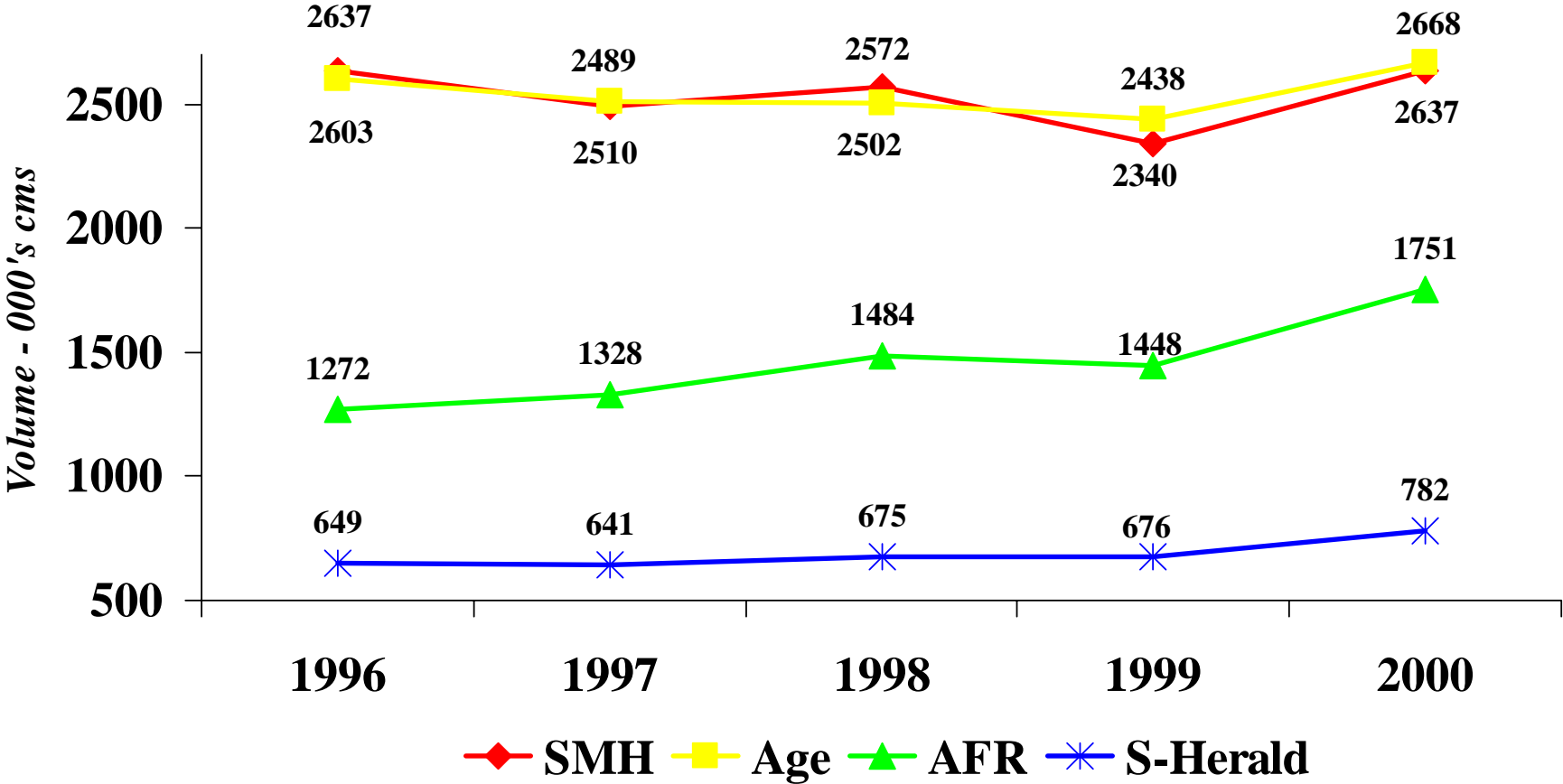
Publishing Business

Advertising Volumes - Classifieds



Publishing Business

Advertising Volumes - Display

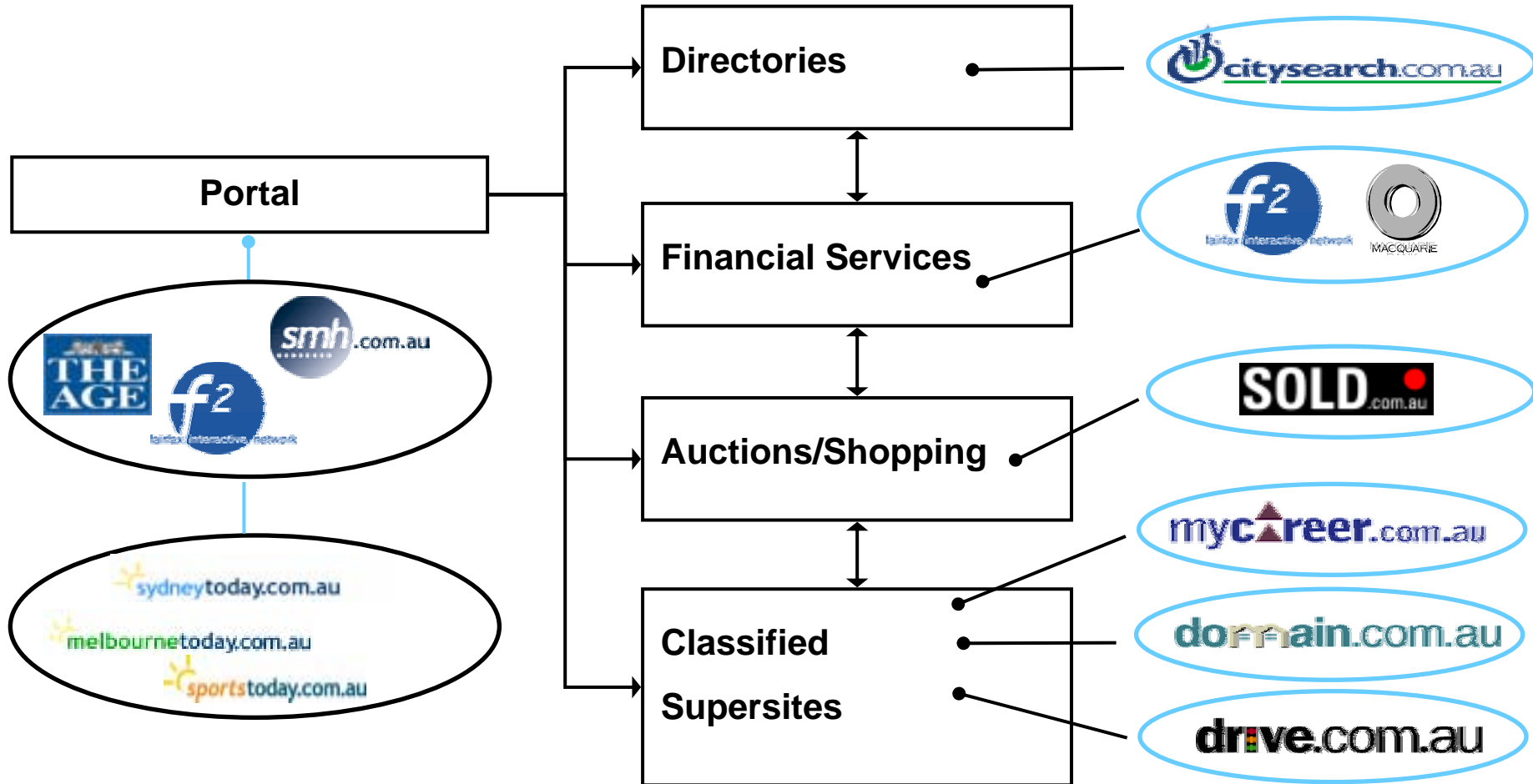


Summary by Masthead

Last yr % var		SMH	AGE	AFR	SUN
Net Advertising Revenue		14.9%	11.9%	33.6%	23.3%
Classified Volume		5.5%	4.3%	-	10.9%
Display Volume		12.7%	9.4%	20.9%	15.8%
Circulation Revenue		3.0%	1.8%	21.5%	2.7%
Net Average Circulation Change		-2.3%	-1.0%	5.1%	-1.7%
Net Avg Circulation (000's)*	M-F	231.5	199.2	97.6	-
	Sat	393.7	330.2	98.3	-
	Sun	-	196.2	-	584.0

* Source: ABC 6 month circulation, June 2000

Creating a focused network of category leading online businesses with common traffic





Market leader with an increasing range and depth of businesses

- ◆ Top 3 web business
 - Leading (#1) revenue position and revenue growth
 - Leading (#1) revenue per unique user
- ◆ More than 636,000 active registered members up 62% from the first half
- ◆ Currently 75 million page views per month - an increase of 136% from June 1999

f2 - Financials

- ◆ Revenues of \$55.4 million , up 122%
 - Print Directories \$34.9m - up 18% on pcp
 - Online \$20.5m - up 159% on pcp
 - Banners and Sponsorships up 162%
 - Classified Supersites up 180%
 - CitySearch up 83% (like for like)

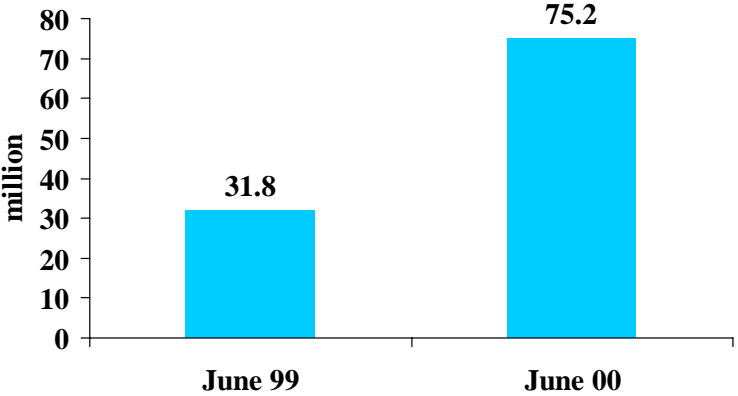
- ◆ Loss before interest and tax of \$40.7 million
 - Directories \$16.8m
 - Other \$23.9m

f2 - Profit & Loss

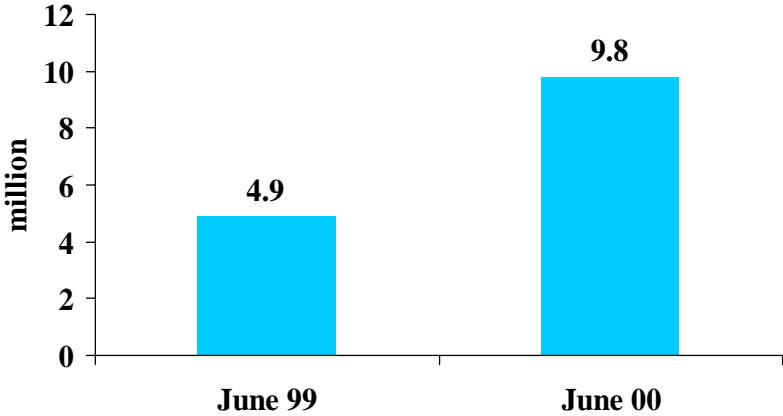
	2000	1999	Var	Var
	\$m	\$m	\$	%
Trading Revenue	55.4	25.0	30.4	122%
Costs	93.3	38.3	55.0	143%
EBITDA	-37.9	-13.3	-24.6	-185%
Depreciation	2.8	0.9	1.9	211%
EBIT	-40.7	-14.2	-26.5	-187%

Traffic Growth

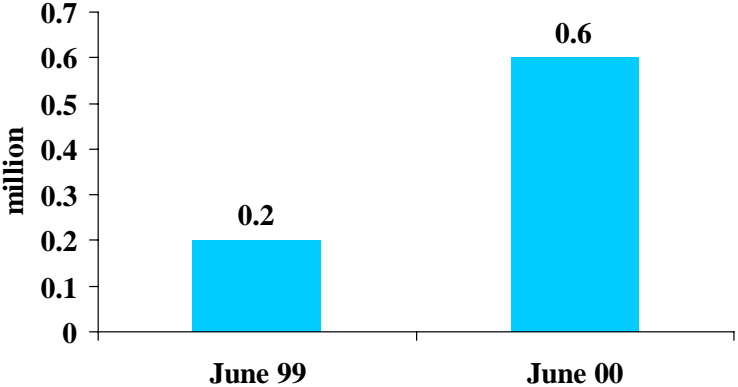
Page Impressions ↑ 136%



Visits ↑ 100%

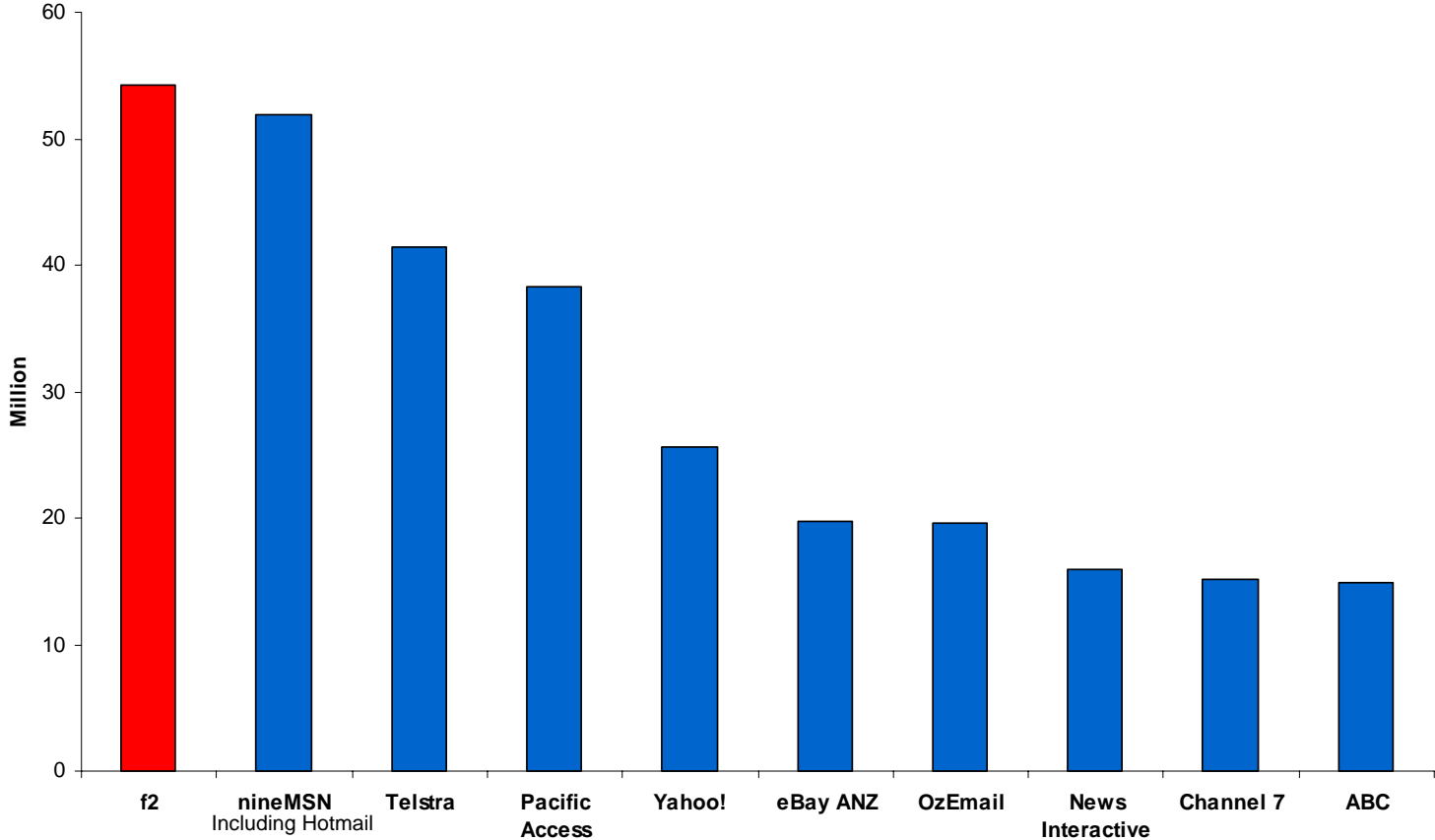


Members ↑ 156%



Leading Traffic Position

PAGE IMPRESSIONS PER MONTH



Growing beyond our historic geographic & product footprints

- ◆ Expansion into Asia and United Kingdom through SPG
- ◆ Extended products with CNBC (Pay TV), News Alert Asia Pacific (content platform) and SPG (specialist magazines)
- ◆ Doubled number of community papers in Victoria
- ◆ Assessing broadband and datacasting opportunities

Summary

- ◆ Fairfax is in a strong strategic position
- ◆ Recent improvements substantial
- ◆ Publishing continues to offer avenues for both revenue and profit growth through operating leverage.
- ◆ Development of f2 in four core areas
 - CitySeach Directories
 - Financial Services
 - Auctions/Shopping
 - Classified Supersites
- ◆ New growth avenues being assessed