

FAIRFAX COMPLETES ACQUISITION OF THE BORDER MAIL AND EXPANDS STAKE IN ITS PRINTING PLANT

SYDNEY, 25 July, 2006: – John Fairfax Holdings Limited [ASX:FXJ] has today concluded its acquisition of The Border Morning Mail Limited (“BMM”), publisher of leading regional newspaper *The Border Mail*, by acquiring 100% of the shares of the company, for a net consideration of \$155 million.

Mr David Kirk, CEO of Fairfax, said:

“Our acquisition of The Border Morning Mail Limited represents further strategic growth for Fairfax’s regional publishing businesses in Australia. We welcome its staff into our company, and we will work together to continue *The Border Mail’s* vigorous local news reporting and participation in, and commitment to, the greater Albury-Wodonga region and its citizens.”

In execution of the Scheme of Arrangement for the acquisition, a total of 4,858,517 FXJ shares have been issued to BMM shareholders, at a price of \$4.10 per share, with the balance of the purchase price paid in cash.

In a separate transaction announced today, Fairfax has acquired 100% of the shares in two Melbourne based companies, The Independent News Pty Limited (TIN) and its associate Melbourne Community Newspapers Pty Limited (MCN), for a total consideration of \$15.1 million (an implied forward multiple of 7x EBITDA).

Together, these two companies own the following businesses:

- 5 free weekly community publications with a combined weekly circulation of around 190,000 – the *Frankston/Hastings Independent*, *Mornington and Southern Peninsula Mail*, *Cranbourne Independent*, *Dandenong Independent*, and the *Chelsea, Mordialloc, Mentone Independent* – plus tourism publications.
- An additional 24.5% equity stake in Border Mail Printing Pty Ltd (BMP) which, together with the 51% share in BMP previously held by BMM, lifts the Fairfax stake in BMP to 75.5%

Mr Kirk said,

“The acquisition of these additional publications strongly complements the existing footprint of our Fairfax Community Network around Melbourne. The printing plant is an excellent asset that will add to our printing capabilities.”

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