



**Fairfax Media Limited
Annual General Meeting
13 November, 2008
Address of Ronald Walker**

MELBOURNE, 13 November, 2008: Good morning Ladies and Gentlemen. My name is Ronald Walker and I am proud to be your chairman of our unique media company - without doubt, one of the most respected media companies in the world.

Fairfax Media is one of the few Australian-owned media companies left in this country.

- Channel 9 was sold to CVC
- Channel 7 was sold to KKR
- Channel 10 is Canadian controlled
- APN is controlled by the Irish
- News Corporation has moved its head office to the USA

Whilst this upheaval was happening, we, through hard work and determination, moved to become number 1 in Australasia.

It is indeed a pleasure for our Board to host our Annual General Meeting in Melbourne again - the home of The Age, born in Collins Street 154 years ago, and of course the home of radio station 3AW, that talks to Melbourne.

May I introduce our Board of Directors? Their CVs are contained in the Annual Report which has been distributed.

Mrs Julia King
Mr John Fairfax
Mr Roger Corbett
Mr Nicholas Fairfax
Mr David Evans
Mr David Kirk
Mr Peter Young
Mr Bob Savage

And our Executives on the dais:

Mr Sankar Narayan, Chief Financial Officer
Ms Gail Hambly, Group General Counsel and Company Secretary,

Ladies and gentlemen.

Much has happened since the 2008 financial year ended in June. It is important, however, that we take a moment to reflect on the very strong performance of the company last year.

We are proud of our 2008 results at 30 June of \$831 million underlying EBITDA.

All the cost saving synergies we promised our shareholders, we have achieved.

Few if any other media companies have such a collection of complementary assets as we do, in order to prepare our company for tough conditions in the future.

Your Board congratulates our CEO, David Kirk, deputy Brian McCarthy, and our executives, managers, editors and journalists for their great contribution during the year.

Ladies and gentlemen.

I am pleased to introduce the senior executives who are here this morning:

Brian McCarthy, Deputy CEO and CEO, Australia
Joan Withers, CEO, Fairfax Media New Zealand
Michael Gill, CEO, Fairfax Business Media
Graham Mott, CEO, Fairfax Radio Network
Jack Matthews, CEO, Fairfax Digital

Ladies and gentlemen.

Today, we meet in a time of serious economic challenge not experienced before. The world's economies have suffered severe blows due to the banking and credit crisis that emanated from the United States.

Regrettably, the United States and Europe are in a recession, as is New Zealand, and the Australian economy has slowed, and it is clear that the soft trends already evident in advertising markets earlier in 2008 have continued.

This has affected share markets worldwide – our own included.

Nevertheless, our company is in strong shape. Our balance sheet is solid. Recently, we have further reduced refinancing risk in 2010 and have created an even larger buffer on covenants.

We appreciate that our dividend payment is important to many shareholders. Our policy, as stated often, is to pay out 80% of net profit across the cycle. That policy is unchanged. As I speak today, the Board sees nothing that would cause this policy to change.

There is an upside to the current share price in that our stock presents an exceptional yield.

Current world economic conditions are difficult. We foresee tough trading conditions for some time.

Therefore, while we hope for better times, we have but one choice, and that is to prepare for harder times.

Fellow shareholders, my message to you is this:

Fairfax Media is well prepared for these times, and our future prospects are good.

For the 2008 financial year, we reported strong earnings growth as a result of our focus on our strategy of diversification and growth.

We have captured the benefits of our merger with Rural Press and acquisition of Southern Cross.

These strategic transactions have completely transformed our company.

The success of our strategy is fully reflected in our reported results for the expanded company for the 2008 financial year:

- Revenue increased 34% to \$2.92 billion
- EBITDA grew 46% to \$818.3 million
- Net profit after tax of \$386.9 million, up 47%
- Earnings per share 24.6 cents, up 8.1%

A record result for our great company.

Now, ladies and gentlemen, I want to show you the strength of our online position, and what we are doing today.

As you can see, this is truly an exciting future. No other major publishing company in the world has such strength in newspapers and magazines across metro, regional, financial, community, and agriculture publishing; a comprehensive portfolio of successful online news, classified and transaction businesses; and a strong radio network.

With over 300 mastheads across Australia, New Zealand and the United States, more than 50 major websites, and 15 radio stations, we are the largest content generators in Australasia.

Our content reaches over 10 million people each week in Australia and New Zealand.

A week ago yesterday, more than 1 million unique browsers went online to Fairfax Digital – more than any other online news source in Australia – to get the news of the election of Barack Obama as President of the United States.

Fairfax Media is better positioned than at any other time in its past 177 years to meet the challenges we are facing right now, and to continue on a sound strategic course for the future. When there is recovery – and there will be – we are well positioned to take full advantage of it.

And our future is bright here in Melbourne and Victoria. We have The Age and Sunday Age, the Warrnambool Standard, the Bendigo Advertiser, the Ballarat Courier, not least the Melbourne Weekly, and more than 50 other mastheads in this State in regional, rural, community and agriculture publishing. We are proud owners of 3AW and Magic 1278.

At the end of next year, we will open Media House – the new corporate headquarters for The Age and Fairfax Media in Victoria, located in Collins Street, where we started 154 years ago.

I am pleased to give you a glimpse of our future in this great State.

Ladies and gentlemen, thank you.

I am pleased to introduce David Kirk, our Chief Executive Officer.

-- ENDS --

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