

FAIRFAX TO RAISE \$250 MILLION THROUGH ISSUE OF FAIRFAX STAPLED PREFERENCE SECURITIES ("FAIRFAX SPS")

SYDNEY, March 13, 2006: – John Fairfax Holdings Limited [ASX: FXJ] today announced that it has lodged a prospectus to issue Fairfax Stapled Preference Securities ("Fairfax SPS") ("the Offer") to raise \$250 million, with the right to accept oversubscriptions of up to a further \$50 million.

On March 6, Fairfax announced that it had reached agreement to acquire Trade Me Limited ("Trade Me"), New Zealand's leading internet business. Trade Me is the leading auction and classified advertising site in New Zealand.

The proceeds from the Offer will be used to partially fund the NZ\$700 million (A\$625 million) acquisition of Trade Me, with the balance of the funding to come from a 364 day committed bridge facility.

Fairfax, which has a corporate credit rating of 'BBB' (Negative Outlook) will receive 'intermediate' equity credit from Standard & Poor's for the Fairfax SPS. Fairfax SPS are expected to be assigned a 'BB+' long-term credit rating by Standard & Poor's.

Fairfax's SPS are stapled securities that comprise a fully paid preference share and a fully paid subordinated unsecured note. The securities offer a discretionary, floating, and non-cumulative preferred distribution that is payable semi-annually in arrears.

The Offer is only open to professional and sophisticated investors in Australia and selected other foreign jurisdictions. There will be no general public offer.

The offer of Fairfax SPS will be made in or accompanied by the prospectus. Any professional or sophisticated investor wishing to apply for Fairfax SPS will need to complete the application form in or accompanying the prospectus.

A summary of the terms of the Fairfax SPS and timetable are attached.

Goldman Sachs JBWere has been appointed as sole Lead Manager and Bookrunner to the Offer.

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ATTACHMENT

Fairfax SPS Summary Terms

- Fairfax Stapled Preference Securities (“Fairfax SPS”) are a stapled security comprising a fully paid SPS Preference Share and a fully paid unsecured subordinated note.
- The offer of Fairfax SPS will be made only to Professional and Sophisticated investors (i.e. investors which meet the criteria in sections 708(8), 708(10) or 708(11) of the Corporations Act).
- The face value of the Fairfax SPS is A\$100 per Fairfax SPS.
- Distributions on the Fairfax SPS are preferred, discretionary, non-cumulative, semi-annual floating rate distributions. An initial margin over 6 month BBSW will be determined by bookbuild.
- The Fairfax SPS have no scheduled maturity, however, Fairfax may repurchase or convert the Fairfax SPS in certain circumstances, including on a remarketing date as outlined below.
- On a remarketing date, the first of which is 30 April 2011, Fairfax may:
 - undertake a remarketing process to establish a new margin and change certain terms, which if successful would apply until the next remarketing date;
 - repurchase the Fairfax SPS; or
 - convert the Fairfax SPS into ordinary shares in Fairfax.
- If a new margin is not set under the remarketing process on 30 April 2011, and Fairfax does not repurchase or convert the Fairfax SPS, the margin on the Fairfax SPS will increase by 2.25%.
- For the payment of distributions and for payments in a winding up of Fairfax, holders of Fairfax SPS rank ahead of Fairfax ordinary shares and equally with existing Fairfax preference shares currently on issue. On a winding up of Fairfax, holders of Fairfax SPS rank behind creditors, which may at that time include holders of existing Redeemable Preference Shares of Fairfax New Zealand Finance Limited.
- If Fairfax repurchases the Fairfax SPS, Fairfax has covenanted in favour of certain holders of debt of Fairfax to replace the Fairfax SPS with ordinary shares or other securities ranking equally with the Fairfax SPS in an amount sufficient for those securities to carry the same or better equity credit weighting as that assigned to the Fairfax SPS on the date the Fairfax SPS are issued. However, this covenant will not apply if the repurchase of Fairfax SPS would not, in the reasonable opinion of Fairfax, cause the Fairfax credit rating to fall from the rating applying one business day prior to the day on which Fairfax first announces the repurchase.

Fairfax SPS Timetable – Key Dates*

Lodgement of Prospectus with ASIC	13 March 2006
Bookbuild Opens	17 March 2006
Bookbuild Closes	20 March 2006
Offer period	21 March 2006
Expected listing and commencement of conditional and deferred settlement trading of Fairfax SPS on ASX	22 March 2006
Settlement and transfer of Fairfax SPS to successful applicants (Settlement occurs under the Offer Management and Subscription Agreement and the condition of the conditional market is satisfied)	23 March 2006
Expected despatch of Holding Statements	27 March 2006
Expected commencement of normal trading of Fairfax SPS on ASX	28 March 2006
First Distribution Date	31 October 2006
First Remarketing Date	30 April 2011

* Note: Fairfax, in consultation with the Lead Manager, has the right to close the Offer early, to accept late Applications, or vary any other date and time without prior notice.