

4 February, 2009

Ms Suzanna Dabski
Adviser, Issuers (Sydney)
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

BY EMAIL: suzanna.dabski@asx.com.au

Dear Suzanna,

In response to the ASX Price Query received today regarding the price and trading volumes of the Company's shares, Fairfax Media Limited [ASX:FXJ] responds as follows following the numbering of the price query:

1. The Company is not aware of any information which has not been announced which, if known, could explain the recent trading in securities of the Company.

The Company confirms its previous statements to the market on 26 November and 10 December, 2008 and has nothing further to report. In particular, based on cash on hand and facilities available, the Company sees no need to refinance any debt before 2011. This follows the debt refinancing the Company undertook in October, 2008 (see attached debt profile).

The Company has also undertaken actions to significantly reduce operating costs and to sell its Southern Star assets. It has also announced a reduction in dividend payments, has strong free cash flows and will benefit from the recent significant declines in interest rates.

The Company sees no present need to raise equity and there has been no decision to do so. However the Directors are keeping, and will continue to keep, this matter under constant review.

2. N/A
3. The Group's EBITDA excluding non recurring items will not vary from that reported for the previous corresponding period by more than 15%.
4. In August, 2008 the Company announced a major restructure and cost reduction programme. It reported that the non recurring cost of the programme was expected to be approximately \$50 million with \$50 million per annum of ongoing benefits. The outcome was larger in scope and a one-off charge of approximately \$60 million will be recorded in the half year results with correspondingly higher ongoing benefits.

The Company recently announced the sale of its Southern Star assets including the Carnival business for a total of \$120 million. These assets were acquired for approximately \$150 million. The Company will take an impairment charge in the half year of approximately \$30 million.

Compared to the same period last year, interest charges for the 31 December, 2008 half year will include the full funding cost of the Southern Cross assets acquired on 9 November, 2007.

The Company's half year financial results are still in the process of being compiled. As part of this process asset values will be reviewed in the normal course. Any non cash non recurring charge which may result from this process will be included as part of the half year results which will be announced on 23 February.

5. The Company continues to believe its shares are subject to a significant degree of short selling.
6. The Company confirms it believes it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gail Hamblly', with a large, stylized flourish at the end.

GAIL HAMBLY

Drawn Committed Facilities Maturity Profile

