



SYDNEY, 27 FEBRUARY 2009

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

**FAIRFAX MEDIA ANNOUNCES NON-RENOUCEABLE ENTITLEMENT OFFER  
TO RAISE UP TO \$684 MILLION**

**KEY POINTS**

- Fairfax Media today launched an equity raising of up to \$684 million by way of a 3 for 5 accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer"), at an offer price of \$0.75 per share.
- \$450 million of the equity raising is committed:
  - \$438 million of the Entitlement Offer is underwritten.
  - In addition, Fairfax Media's largest shareholder, Marinya Media, has confirmed its support for the capital raising and has committed to take up \$12 million of its entitlement, equivalent to 16 million shares.
- Fairfax Media intends to use the proceeds of the Entitlement Offer to pay down a substantial portion of the syndicated bank facility (AUD denominated) maturing in 2011 and 2012 (refer Annexure D).
- This debt reduction provides Fairfax Media with further headroom under its covenants and reduces net interest costs.

Fairfax Media Chairman, Ronald Walker, said "As previously disclosed, the Board has kept the capital position of the Company under constant review. Our decision to raise new capital at this time is in response to market feedback following our results presentation this week. It has become clear to us that in these extremely unstable times our shareholders are supportive of improving our balance sheet position."

CEO and Managing Director Brian McCarthy said "The Entitlement Offer announced today places Fairfax Media in a much stronger financial position in the current climate of economic uncertainty and volatile market conditions and should alleviate continuing market concerns about our capital structure.

"Following a review of the options available to strengthen Fairfax Media's balance sheet, the Board believes that this Entitlement Offer is an equitable alternative for all shareholders."

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## ENTITLEMENT OFFER

Fairfax Media has commenced an accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer"), at an offer price of \$0.75 per share. The Entitlement Offer will be conducted on the basis of 3 new Fairfax Media ordinary shares ("New Shares") for every 5 existing Fairfax Media ordinary shares ("Shares") held ("Entitlement") at 7.00pm AEDT on Tuesday, 3 March 2009 ("Record Date").<sup>1</sup>

After adjusting for the announced FY2009 interim dividend of \$0.02 per share, the offer price of \$0.75 per "New Share" represents a 17.6% per cent discount to the closing price of Shares on 25 February 2009<sup>2</sup>. New Shares issued under the Entitlement Offer will not be entitled to the FY2009 interim dividend but will otherwise rank *pari passu* with issued ordinary shares.

The Entitlement Offer is comprised of an institutional component ("Institutional Entitlement Offer") and an offer to eligible retail shareholders to participate on the same terms ("Retail Entitlement Offer").

For the Institutional Entitlement Offer, New Shares equal in number to those not taken up by Fairfax Media's eligible institutional shareholders and those which would otherwise have been offered to ineligible institutional shareholders will be offered for subscription to eligible institutional shareholders and selected institutional investors through a volume bookbuild process at the offer price of \$0.75 per New Share.

Fairfax Media expects to announce the outcome of the Institutional Entitlement Offer to the market prior to the start of trading on 2 March 2009, with trading expected to resume at commencement of trading on ASX on that date.

Further details of the Entitlement Offer and the timetable are included in Annexure A to this announcement.

## DEBT REDUCTION

The proceeds of the Entitlement Offer will be used to pay down a substantial portion of the syndicated bank facility (AUD denominated) maturing in FY2011 and FY2012. The net minimum proceeds of the Entitlement Offer would reduce Fairfax Media's net debt for covenant purposes on a pro forma basis at 28 December 2008 from \$2.5 billion to approximately \$2.1 billion.

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<sup>1</sup> For the purposes of determining entitlements under the Entitlement Offer, Fairfax Media will disregard transactions in Shares after implementation of the trading halt in Fairfax Media shares on 26 February 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt. The underwriting agreement includes a number of customary termination events.

<sup>2</sup> Being the last day of trading prior to the announcement of the Entitlement Offer.

Based on the committed proceeds amount of \$450 million and the associated debt reduction, the pro forma impact on key covenants based upon a trailing 12 months EBITDA and net interest, will be as follows:

	Pre Offer	Post Offer	Covenant Limits
Net debt <sup>3</sup> to EBITDA	3.2x	2.7x	4.0x max
EBITDA to net interest	3.9x	4.3x	3.25x min

At 100% acceptance of the Entitlement Offer and the associated debt reduction amount of \$684 million, the pro forma impact on key covenants based upon a trailing 12 months EBITDA and net interest, will be as follows:

	Pre Offer	Post Offer	Covenant Limits
Net debt <sup>3</sup> to EBITDA	3.2x	2.4x	4.0x max
EBITDA to net interest	3.9x	4.5x	3.25x min

It is unlikely that Fairfax Media will achieve 100% acceptance from all shareholders.

## OUTLOOK

Fairfax Media reconfirms the current trading conditions outlined in its half year results on 23 February 2009.

## SHAREHOLDER ENQUIRIES

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Fairfax Media Shareholder Information Line on 1300 888 062 (local call cost within Australia) or +61 2 8280 7670 (from outside Australia) at any time from 8.30 am to 5.30 pm (AEDT) Monday to Friday or go to our website at [www.fxj.com.au](http://www.fxj.com.au).

Contact:

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## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This press release does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The shares have not been registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This press release and its attachments include "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Fairfax Media Limited, and its officers, employees, agents or associates, including risks associated with the ability of Fairfax Media Limited to raise equity in the Retail Entitlement Offer and other risks described in Annexure B. Actual results, performance or achievements may vary materially from any projections and forward looking

<sup>3</sup> Pro forma net debt as at 28 December 2008

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statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Fairfax Media Limited assumes no obligation to update such information.

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## ANNEXURE A - OFFER TIMETABLE

Event	Date
Institutional Entitlement Offer opens	8.30am (AEDT) on 27 February 2009
Institutional Entitlement Bookbuild	27 February 2009
Institutional Entitlement Offer closes (Australia/Asia)	3.00pm (AEDT) on 27 February 2009
Institutional Entitlement Offer closes (Europe/North America)	6.00am (AEDT) on 28 February 2009
Record Date for the Entitlement Offer	7:00pm (AEDT) on 3 March 2009
Retail Entitlement Offer opens	4 March 2009
Mailing of Entitlement and Acceptance Form to Eligible Retail Shareholders	Completed by 9 March 2009
Settlement of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild	12 March 2009
Issue of New Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and normal trading of those shares expected to commence on ASX	13 March 2009
Retail Entitlement Offer closes	5:00pm (AEDT) on 27 March 2009
Settlement of the Retail Entitlement Offer	3 April 2009
Issue of New Shares under the Retail Entitlement Offer	6 April 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	7 April 2009
Dispatch of holding statements	8 April 2009

Note: Dates and times are indicative only and subject to change. All times and dates refer to AEDT.

### OFFER STRUCTURE

The Entitlement Offer is non-renounceable. Entitlements cannot be traded on the ASX nor otherwise transferred. This means that Fairfax Media shareholders who do not take up their entitlement to participate in the Entitlement Offer will not receive any value for those entitlements and their equity interest in Fairfax Media will be diluted.

#### **Institutional Entitlement Offer**

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer on 27 February 2009. Eligible Institutional Shareholders who receive such an invitation will not be eligible to participate in the Retail Entitlement Offer.

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Eligible Institutional Shareholders can choose to take up or not take up all or part of their Entitlements. Elections in regard to Entitlements need to be advised prior to 3.00pm (AEDT) on 27 February 2009 for Australia/Asia Eligible Institutional Shareholders and 6.00am (AEDT) on 28 February 2009 for Europe/North America Eligible Institutional Shareholders. New Shares equal in number to those not taken up by Eligible Institutional Shareholders and those which would otherwise have been offered to Ineligible Institutional Shareholders will be offered for subscription to eligible institutional shareholders and selected institutional investors through a volume bookbuild process at the offer price of \$0.75 per New Share.

### **Retail Entitlement Offer**

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9:00am (AEDT) on 4 March 2009 and close at 5:00pm (AEDT) on 27 March 2009.

### **ELIGIBLE RETAIL SHAREHOLDERS**

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7:00pm AEDT on Tuesday 3 March 2009 (the "Record Date");
- have a registered address in Australia or New Zealand;
- are not in the United States and are not, and are not acting for the account or benefit of, any U.S Person;
- are not an Eligible Institutional Shareholder who was invited to participate in the Institutional Entitlement Offer;
- are not an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Retail Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Retail Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand.

### **STOCK LENDING**

Eligible shareholders will be entitled to apply for 3 New Shares for every 5 Shares held as at 7.00pm (AEDT) on the Record Date, 3 March 2009. In the event a Fairfax Media shareholder has Fairfax Media ordinary shares out on loan, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold).

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## **ANNEXURE B – RISK DISCLOSURE**

### **1.1 Introduction**

A number of risks and uncertainties, which are both specific to Fairfax Media and of a more general nature, may affect the future operating and financial performance of Fairfax Media and the value of Fairfax Media shares. You should carefully consider the following risk factors, as well as the other information provided by Fairfax Media in connection with the Entitlement Offer, and consult your financial and legal advisers before deciding whether to invest in the New Shares. The risks and uncertainties described below are not the only ones facing Fairfax Media. Additional risks and uncertainties that Fairfax Media is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Fairfax Media's operating and financial performance.

### **1.2 Operational risks**

#### **a) Global economic downturn**

At present, the global economy is experiencing a range of adverse effects and any further deterioration in global economic conditions may adversely impact the operating and financial performance of Fairfax Media.

In particular, Fairfax Media's operating and financial performance may be adversely impacted by changes in various general economic factors in both Australia and New Zealand and global economic changes including, but not limited to:

- Level of economic growth and the resultant impact on advertising market conditions;
- Unemployment levels and the amount of consumer discretionary spend;
- Consumer and business sentiment;
- Interest rates, inflation and currency exchange rates;
- Labour costs; and
- Other changes in economic conditions which may affect the revenue or costs of Fairfax Media

Material adverse changes to these general economic factors may have an adverse impact on Fairfax Media's operating and financial performance.

#### **b) Advertising cycle**

Revenue and earnings of Fairfax Media are predominantly derived from advertising in newspaper publishing, radio broadcasting and through online platforms. Fairfax Media is therefore highly leveraged to fluctuations in the advertising markets in Australia and New Zealand.

#### **c) Competition in the media sector**

The media sector in Australia and New Zealand can be highly competitive, with a number of operators competing for market share through the same or substitutable products. The actions of an existing competitor or the entry of new competitors in either a media sector in which Fairfax Media operates, a competing media segment (eg television) or generally may have an adverse effect on Fairfax Media.

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Fairfax Media faces competition from both traditional media groups and other media companies utilising new technologies including online platforms. The online classified business of Fairfax Digital may be subject to increased levels of competition over time if competitors seek to establish or expand their market share in online property, motor, employment, or classified.

**d) Changes in the nature of the publishing and advertising industry**

Fairfax Media's business may be affected by changes in the nature of the publishing and advertising industries, including changes to demand for online and traditional print media products and services. As Fairfax Media's business includes the publication and circulation of media in different forms, these changes may, depending on their nature and Fairfax Media's business model at that time, impact on Fairfax Media's operating and financial performance.

**e) Geographic Exposure to New Zealand**

A proportion of Fairfax Media's operating earnings is derived from its New Zealand publishing operations, supported by its current market position in New Zealand's metropolitan, regional and community newspapers and ownership of online auction and classified advertising website *trademe.co.nz*. An investment in Fairfax Media will include exposure to possible fluctuations in the New Zealand economic cycle and to fluctuations in the Australian and New Zealand dollar exchange rate.

**f) Divestment and Acquisition Activities**

From time to time Fairfax Media evaluates acquisition and divestment opportunities. Any acquisition and/or disposal would lead to a change in the sources of Fairfax Media's earnings and could increase the volatility of earnings. Integration of new businesses into the group may be costly and may occupy a large amount of management's time.

**g) Strategy Execution**

Fairfax Media may not be able to execute effectively the current strategies for its businesses including the leveraging of print and online opportunities, cost savings and continuous operational improvements.

**h) Recruitment and retention of key personnel**

Fairfax competes with other companies in the media sector to recruit and retain key executives and professional staff. There is no assurance that Fairfax will be able to recruit or retain skilled and experienced employees on acceptable terms. A loss of key personnel may detrimentally impact Fairfax Media's operating and financial performance.

**1.3 Technology Risk**

The media sector is subject to rapid and significant change in technology and the impact of this change on Fairfax Media and its businesses cannot be predicted. The cost of implementing emerging and future technologies could be significant. The development or anticipated development of new technology, or use, or anticipated use, of existing technology may have a material adverse effect on Fairfax Media's operating and financial performance.

**1.4 Asset Impairment Risk**

Under the A-IFRS accounting standards, intangible assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are reviewed semi-annually



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for impairment. Individual assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an individual asset may not be recoverable. Changes to the carrying amounts of intangible assets of Fairfax Media (eg mastheads) could have an adverse impact on the reported financial performance of Fairfax Media.

### **1.5 Credit Risk**

Credit market conditions and the operating performance of Fairfax Media will affect borrowing costs as well as the company's capacity to repay, refinance or increase its debt. An adverse change to Fairfax Media's credit rating will increase Fairfax Media's borrowing costs.

### **1.6 Regulatory Risk**

Fairfax Media may be affected by changes in government policy or legislation applicable to companies in the media sector.

### **1.7 Taxation Implications**

Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Fairfax Media securities, or the holding or disposal of those securities. Further, changes in taxation law, or to the way taxation law is interpreted in the various jurisdictions in which Fairfax Media operates, may impact Fairfax Media's future tax liabilities.

### **1.8 Risks relating to equity investments and markets**

Investors should be aware that there are risks associated with any investment listed on the ASX. The value of Fairfax Media shares may rise above or fall below the Offer Price, depending on the financial condition and operating performance of Fairfax Media. Further, the price at which Fairfax Media shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of Fairfax Media and over which Fairfax Media and its directors have no control. These external factors include:

- Economic conditions in Australia, New Zealand and elsewhere overseas;
- Investor sentiment in the domestic and international stock markets;
- Changes in fiscal, monetary, regulatory and other government policies; and
- Geo-political conditions such as acts or threats of terrorism or military conflicts

Investors should note that the historic share price performance of Fairfax Media shares provides no guidance as to its future share price performance.

### **1.9 Future payment of dividends**

Fairfax Media's future dividend levels will be determined by the Board having regard to the operating results and financial position of Fairfax Media. There is no guarantee that any dividend will be paid or, if paid that they will be paid at previous levels.

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## **ANNEXURE C – IMPORTANT INFORMATION**

This press release and the accompanying information (“Information“) have been prepared by Fairfax Media.

### **FOREIGN JURISDICTIONS**

#### **New Zealand**

The Information has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand).

#### **United States**

This Information does not constitute a prospectus or an offering memorandum or an offer to sell, or the solicitation of an offer to buy, New Shares, in the United States or to a US Person (or to any person acting for the account or benefit of a US Person), or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The offer and sale of the Entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. Persons except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Neither this information or any other document relating to the Institutional Offer may be sent or distributed to persons in the United States or to U.S. Persons or to any persons acting for the account or benefit of U.S. Persons.

#### **United Kingdom**

The offer of New Shares and Entitlements has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the “FSMA“) with respect to anything done in relation to the New Shares and/or Entitlements in, from or otherwise involving the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received in connection with the issue or sale of the New Shares and/or Entitlements has only been communicated or caused to be communicated and will only be communicated or cause to be communicated in the United Kingdom in circumstances in which Section 21(1) of FSMA does not apply to Fairfax.

#### **Japan**

The New Shares and Entitlements offered have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended (the “FIEL“) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors as set forth in Article 2, paragraph 3, item 2(a) of the FIEL. Accordingly, the New Shares and Entitlements may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. The term “Qualified Institutional Investors” is defined in Article 2, paragraph 3, item 1 of the FIEL and the regulations promulgated thereunder. Any Qualified Institutional Investor who acquired the New Shares or the Entitlements may not resell them to any person that is not a Qualified

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Institutional Investor, and acquisition by any such Qualified Institutional Investor of the New Shares or the Entitlements is conditional upon the execution of the agreement to that effect.

### **European Economic Area (which includes the Netherlands and Germany)**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") an offer to the public of any New Shares and/or Entitlements may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any New Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) in any other circumstances falling within Article 3(2) of the Prospective Directive, provided that no such offer of New Shares and/or Entitlements shall result in a requirement for the publication by Fairfax of a prospectus pursuant to Article 3 of the Prospective Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any New Shares and/or Entitlements in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares and/or Entitlements to be offered so as to enable an investor to decide to purchase any New Shares and/or Entitlements, as the same may be varied in that Relevant Member State by any measure implementing the Prospective Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **Hong Kong**

This Information has not been, and will not be, registered as a prospectus in Hong Kong under the Companies Ordinance (Cap 32)("CO") nor has it been authorized by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong (the "**SFO**"). Accordingly, the Information must not be issued, circulated or distributed in Hong Kong other than:

- (a) to "professional investors" within the meaning of SFO and any rules made under that ordinance ("Professional Investors"); or
- (b) in other circumstances which do not result in this Information being a "prospectus" as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors. No person allotted New Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such New Shares.

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## Singapore

The offer or invitation which is the subject of this document is only allowed to be made to the persons set out herein.

The offer which is the subject of this document is not allowed to be made to the retail public. This document is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly statutory liability under that SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This document and any other materials in connection with the offer has not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore under the SFA. Accordingly, this document and any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares must not be issued, circulated or distributed nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under section 274 of the SFA, and in accordance with the conditions specified, in section 274 of the SFA and any rules made under the SFA;
- (b) to a relevant person pursuant to section 275(1), or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in sections 275 of the SFA and any rules made under the SFA;
- (c) to existing holders of Fairfax's shares under the exemptions in section 273(1)(cd) of the SFA; or
- (d) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA and any rules made under the SFA.

This document has been given to you on the basis that you will fall within one of the categories described above. In the event that you are not an investor falling within one of the categories set out below, please return this document to the Joint Lead Managers immediately. You are prohibited from forwarding or circulating this document to any other person.

Where the shares are initially subscribed or purchased pursuant to an offer made in reliance on the exemptions under sections 273(1)(cd), 274 and 275 of the SFA, these shares can only be sold in Singapore, within the period of six months from the date of the initial acquisition, to institutional investors, relevant persons or any person pursuant to an offer referred to in section 275(1A) of the SFA.

Where the shares are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under section 275 of the SFA except:

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- (a) to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interests in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in section 275 of the SFA;
  - (b) where no consideration is given for the transfer; or
  - (c) where the transfer is by operation of law.

The offer is not made to you with a view to the New Shares (or any of them) being subsequently offered for sale to any other party.

By accepting this document, the recipient hereof represents and warrants that he is entitled to receive such document in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

### **Norway**

The Information has not been approved by, or registered with, any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, neither the Information nor any other offering material relating to the New Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares or may not be offered or sold, directly or indirectly, in Norway except;

- (a) to "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being;
  - (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
  - (ii) any legal entity which is registered as a professional investor with the Oslo Stock Exchange (in Norwegian: Oslo Børs) and which has two or more of
    - (1) an average of at least 250 employees during the last financial year;
    - (2) a total balance sheet of more than €43,000,000; and
    - (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (b) any natural person which is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Børs) and which has two or more of
  - a. an average execution of at least ten – 10 – transactions in securities of significant volume per quarter for the last four quarters;
  - b. a portfolio of securities with a market value of at least €500,000 and
  - c. worked or works, for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;

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- (c) to fewer than 100 natural or legal persons (other than “professional investors” as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876) subject to obtaining the prior consent of the Joint Lead Managers for any such offer;

in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by Fairfax or the Joint Lead Managers, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

### **Denmark**

The Information does not constitute a prospectus under any Danish laws or regulations and have not been filed with or approved by the Danish Financial Supervisory Authority or any other Danish regulatory authority as the Information has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued in connection thereto. The New Shares have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, except to (i) qualified investors as defined in Section 2 of the Executive Order No. 1232 of 22 October 2007 on Prospectuses for Securities Admitted for Listing or Trade on a Regulated Market, and on the First Public Offer of Securities exceeding EUR 2,500,000 and/or to (ii) less than 100 individuals or legal entities, who are not qualified investors or otherwise in circumstances which will not result in the offer of the New Shares being subject to the Danish Prospectus requirements of preparing and filing a prospectus pursuant to Chapter 6 of the Danish Securities Trading Act No. 848 of 19 August 2008 and Executive Order No. 1232 of 22 October 2007 on Prospectuses for Securities Admitted for Listing or Trade on a Regulated Market, and on the First Public Offer of Securities exceeding EUR 2,500,000.

### **France**

Neither the Information, nor any other offering material relating to the New Shares described in the Information has been prepared in the context of a public offer of securities in the Republic of France within the meaning of article L.411-1 of the French “Code monétaire et financier” and articles 211-1 & seq. of the General Regulations of the “Autorité des marchés financiers” nor have been or will be submitted to the applicable clearance procedures of the “Autorité des marchés financiers”. The New Shares have not been and will not be offered or sold or otherwise transferred, directly or indirectly, to the public in the Republic of France and any offer, sale or other transfer of the New Shares in the Republic of France will and may be made strictly in accordance with articles L. 411-1, L.411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French “Code monétaire et financier”, and only to qualified investors acting for their own account, all as defined in and in accordance with articles L.411-2, D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French “Code monétaire et financier.”

### **Ireland**

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## **ADDITIONAL INFORMATION**

### **Summary information**

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