



## **ANNOUNCEMENT**

SYDNEY, 17 September, 2009: Fairfax Media Limited [ASX: FXJ] advises they have received the attached announcement from Marinya Media.

-- ENDS --



17 September, 2009

## **Marinya Media will not support the re-election of Ron Walker at the 2009 Fairfax AGM**

Marinya Media, 9.7% shareholder in Fairfax Media, today noted the Fairfax Media Chairman's announcement in the Australian Financial Review that he intended to resign in August 2010, but said that it would be voting its holding against his re-election as a director at the Fairfax AGM in November this year.

Mr John B Fairfax and Mr Nicholas Fairfax, both directors of Fairfax Media and Marinya Media said: "Mr Walker is well aware of significant shareholder dissatisfaction with his tenure as Chairman. Marinya, for one, cannot see how Mr Walker's stated intention to delay his retirement assists the company or its shareholders. It unnecessarily defers the commencement of the much-needed process of board and leadership renewal and we consider it inappropriate that a departing Chairman would be influential in the choice of new directors. Marinya can see no sound case to support the continuance of Mr Walker's directorship or Chairmanship for another year, particularly in the context of rapid industry change. Renewal must start today. Mr Walker and the rest of the board of Fairfax Media will not be surprised by our views.

"After years of under-performance, Fairfax Media has a new management team, a streamlined cost base and is poised to re-build some of the shareholder value that has been destroyed. For the company to fulfill its potential we believe it also needs new board leadership to ensure that the Board is unified, functions effectively and provides sound strategic direction. We do not believe that the current board under the leadership of Mr Walker meets these tests and, for several months, we have been urging the board of directors of Fairfax Media to recognise the need for board renewal. We also consider that inadequate attention has been paid to matters of corporate governance and in our view, during the four year period of Mr Walker's chairmanship, an unacceptable degree of risk was introduced to the company's capital structure through a series of debt-funded acquisitions, whilst the cyclical nature of the company's earnings resulted in Fairfax Media's financial and share price performance deteriorating dramatically.

"While we clearly appreciate that Fairfax Media has been operating within an industry in the midst of structural change, it is our view that the company's strategic outlook and leadership calls for new direction. In our opinion, this is best achieved with a new chairman charged with the responsibility of leading a renewal of the board's membership and focus. A necessary first step is a proper board process to select a new Chairman.

"We will be voting the Fairfax Media shares we control (whether through Marinya Media or otherwise) together with any shares for which we hold open proxies, against the re-election of Mr Walker.

Mr John B. Fairfax said: "We have exercised our best judgment in forming our view and we sincerely believe voting against Mr Walker to be in the best interests of all shareholders. We do not do this lightly. It is uncharacteristic. It is not personal. Fairfax Media is a great company and is fundamental to our democratic process. With a history of 178 years, Fairfax Media needs and deserves the best leadership available".

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