



FAIRFAX MEDIA LIMITED SALE PROCESS FOR RADIO ASSETS

SYDNEY, Tuesday, 17 May, 2011: Fairfax Media Limited [ASX: FXJ] today announced it intends to commence a formal conditional process for the sale of its metropolitan and regional radio assets.

Fairfax Radio is a leading national radio network with strong established brands and a loyal listener and advertiser base in each of its key markets. Fairfax Radio is performing strongly and has a demonstrated ability to succeed through the cycle.

Greg Hywood, CEO and Managing Director, said: "The decision to consider the divestment of Fairfax Radio has been taken in response to strong expressions of interest from prospective acquirers and as part of our ongoing review of opportunities to maximise shareholder value and the mix of assets we own."

Fairfax Media has appointed KPMG Corporate Finance to assist with the sale process which is expected to commence in the next few weeks. Any final decision to sell Fairfax Radio will be subject to achieving an acceptable price and consideration of all options to maximise value.

The process is expected to conclude later this calendar year and in the event of a sale, divestment proceeds will be used initially to repay debt and increase financial flexibility. Any strategic initiatives will be considered in the context of maximising shareholder value.

In closing Mr Hywood said: "We are positioning Fairfax Media for long term growth and continuing with the implementation of Fairfax Media's Strategic Plan. We anticipate further progress in FY12 executing our strategy to transform the Metropolitan Media Business, improving the underlying operating performance of all of our businesses and reshaping the portfolio to lift the long term growth rate."

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Contacts:

Frank Sufferini
General Manager Investor Relations
+61 2 9282 3846

Brian Cassell
Chief Financial Officer
+61 2 9282 3555