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FAIRFAX MEDIA RAISES APPROXIMATELY A\$500 MILLION THROUGH INSTITUTIONAL ENTITLEMENT OFFER

SYDNEY, 2 March, 2009: Fairfax Media today announced it has successfully completed the institutional component of its accelerated non-renounceable pro-rata entitlement offer ("Institutional Entitlement Offer"), raising approximately A\$500 million.

The Institutional Entitlement Offer received very strong support from Fairfax Media's existing institutional shareholders, with 98% of domestic institutional shareholders and 90% of all institutional shareholders taking up entitlements.

In addition, demand from existing Australian and international institutional shareholders in the bookbuild more than covered the entitlement shares not taken up. These shares were fully allocated to existing institutional shareholders on an equitable basis to those who applied for additional shares.

Chairman of Fairfax Media, Ronald Walker stated: "We are pleased with the strong support from our existing institutional shareholders. We are also pleased that shares have only been allocated to our existing shareholders thus ensuring the value has been retained within our shareholder base. We thank them for their support."

"This successful equity raising considerably enhances the financial position of the Company in these difficult economic times and reaffirms our shareholders faith in our great Company."

Shares from the Institutional Entitlement Offer are expected to be issued on 13 March, 2009 and commence normal trading on ASX on the same day.¹

The net proceeds of the Entitlement Offer will be used to pay down a substantial portion of the Company's syndicated bank facility (AUD denominated) maturing in 2011 and 2012.

As previously announced, the retail component of the Entitlement Offer ("Retail Entitlement Offer") opens on 4 March, 2009 and is expected to close at 5.00pm AEDT on 27 March, 2009. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer will need to complete the Entitlement and Acceptance Form, which is expected to be mailed to them by Monday, 9 March, 2009.

Given the strength of the institutional take up the Company has decided that it is not necessary to offer a broker handling fee on the Retail Entitlement Offer and accordingly the proposed broker handling fee referred to in item 24 of the appendix 3B will not be payable.

The proceeds to be raised through the Retail Entitlement Offer will not be known until early April.

¹ Settlement under the Institutional Entitlement Offer referred to above will occur on 12 March 2009. Until this date the Underwriting Agreement remains subject to a number of customary termination events.

SHAREHOLDER ENQUIRIES

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Fairfax Media Limited Shareholder Information Line on 1300 888 062 (local call cost within Australia) or +61 2 8280 7670 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday.

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