

FAIRFAX MEDIA LIMITED IMPLEMENTATION OF STRATEGIC PLAN UPDATE

SYDNEY, Thursday 12th May 2011: - Fairfax Media Limited [ASX:FXJ] has today confirmed that after more than a week of staff consultations it will move forward with its plans to gain significant efficiencies from production processes in the Sydney Morning Herald and The Age allowing for further investment in quality journalism.

The changes in sub-editing processes are expected to result in about 82 (full time equivalent) redundancies in editorial production across these two mastheads. A redundancy program will be open to all staff covered by the EBA in the affected business units.

The company has re-confirmed its plans to invest more than \$3 million in the Sydney and Melbourne newsrooms, to expand its trainee program and to increase its training budgets – with a focus on multi-media training.

CEO and Managing Director, Mr Greg Hywood confirmed that the above production changes, along with the other strategic initiatives announced on 3 May will result in a net annual cost reduction of approximately \$15 million p.a. commencing in the 2012 financial year.

Mr Hywood reiterated earlier comments that “quality journalism and content will be key to maintaining and developing new markets and audiences with the choice of how and where those audiences access information and services.”

“We have every confidence that the changes we are making in the production process, along with the new management team and the clear strategy we have before us, will create a much stronger, vibrant and profitable company.”

-- ENDS --

Contacts:

Frank Sufferini
General Manager Investor Relations
+61 2 9282 3846

Brian Cassell
Chief Financial Officer
+61 2 9282 3555