



FAIRFAX MEDIA LIMITED

TRADING UPDATE AND EUROBOND REPAYMENT

SYDNEY, 12 June 2012: Fairfax Media Limited [ASX:FXJ], the Company, today announced an update to the market in relation to current trading conditions.

Mr Hywood, Chief Executive Officer and Managing Director, said the Company considered it appropriate to provide an update given media commentary regarding volatility in market conditions and advertising trends and speculation over the performance of companies in the media sector.

Mr Hywood said: "At the half year results announcement on 23 February I advised that January 2012 revenues were 7.5% below the corresponding prior period and that the difficult trading environment was likely to continue. This trading environment has continued and the Company expects revenue for the second half to be approximately 8% below last year.

"Assuming current trading conditions remain, the Company expects to report underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of circa \$500 million (excluding significant items and intangible impairments) for the 2012 financial year."

Operating cost controls have remained strong with the expected annual cost savings under the Fairfax of the Future strategy ahead of plan with the 2012 run rate exceeding the targeted \$40 million and accelerating.

Tight management of capital expenditure together with strong operating cash conversion will result in net debt at year end below \$1.1 billion.

Mr Hywood further said the Company will repay its Eurobond on 15 June 2012 and will fund the \$557 million repayment from cash reserves and undrawn facilities. The Company remains within bank covenant limits both before and following repayment of this facility.

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