

FAIRFAX MEDIA LIMITED

STATEMENT

SYDNEY, 29 June 2012: Fairfax Media Limited [ASX:FXJ] notes Mrs Gina Rinehart's open letter to the Fairfax Media Chairman, Mr Roger Corbett.

Fairfax Media's charter of editorial independence is clear and its board governance principles are in accordance with normal practices.

Contrary to Mrs Rinehart's repeated assertions that this isn't about editorial control – it is. It is also about her obtaining control of the company and not paying a premium. Fairfax Media stands behind its governance principles and the charter of editorial independence as it stands. The principles and the charter have been recognised as underpinning the credibility of the mastheads and the Fairfax board stands unequivocally behind them.

If Mrs Rinehart wants control of Fairfax Media she must make a bid.

Mrs Rinehart's letter today has once and for all unmasked her motives for her continual attacks on the company and its board.

Our readers are telling us that if Mrs Rinehart succeeds in this personal crusade they will abandon us. We have tens of thousands of letters and emails of support.

Mrs Rinehart attacks the performance of the Fairfax Media stock price. All media stocks have been impacted by global structural and cyclical forces. It is worth noting that in the period since Mrs Rinehart has joined the TEN board its stock has traded 63.4% down. In the same period Fairfax Media's stock price is down 60.6%. Seven West Media is down 73.3% and APN is down 64.7%.

Fairfax Media have a plan, detailed to the market, for the future of the company. We have grown overall readership to the highest levels in the company's history. Our Metro publications readership is up 26% over the last five years. We are making significant structural changes that will alter the cost base of the company and position the company for the future.

The board governance principles Mrs Rinehart is fighting and refusing to abide by are in keeping with normal board practice. In their completeness they are:

1. All Directors must at all times act in the interests of all shareholders as a whole. They may not act for personal interest or in the interests of any individual shareholders.
2. Directors may not have any significant ongoing conflict of interest in relation to Fairfax.
3. Directors must make themselves available to attend all scheduled Board meetings and participate in sub committees as required.

4. At Fairfax a key value is editorial independence. Day to day editorial direction and decisions on stories is a matter for the editors, not the Board.
5. Directors do not discuss company matters with managers or editorial staff without informing the Chairman first and obtaining his or her direction on the process.
6. The Chairman and the managing director are authorized to speak on behalf of the Company. No other directors will comment publicly on the Company without the prior approval of the Chairman.
7. Board materials and discussions are confidential and no director is to share or communicate any information obtained in his or her position as a director or the content of the Board discussions with any other person or entity outside of the Board.

– ENDS –

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