John Fairfax Holdings Limited  
Appendix 4E  
Preliminary final report for the year ended 30 June 2004

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Results for announcement to the market for the year ended 30 June 2004
John Fairfax Holdings Limited and controlled entities

<table>
<thead>
<tr>
<th>Change</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Revenue from ordinary activities</td>
<td>up 45%</td>
</tr>
<tr>
<td>Profit from ordinary activities after tax attributable to members</td>
<td>up 120%</td>
</tr>
<tr>
<td>Net profit for the period attributable to members</td>
<td>up 120%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dividends (distributions)</th>
<th>Amount per security</th>
<th>Franked amount per security</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30 June 2004</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final dividend – ordinary securities</td>
<td>11.0¢</td>
<td>11.0¢</td>
</tr>
<tr>
<td>Final dividend – preference securities</td>
<td>3.6696¢</td>
<td>3.6696¢</td>
</tr>
<tr>
<td>Interim dividend – ordinary securities</td>
<td>5.5¢</td>
<td>5.5¢</td>
</tr>
<tr>
<td>Interim dividend – preference securities</td>
<td>3.6732¢</td>
<td>3.6732¢</td>
</tr>
<tr>
<td>Record date for determining entitlements to the dividend</td>
<td>28 September 2004</td>
<td></td>
</tr>
<tr>
<td><strong>30 June 2003</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final dividend – ordinary securities</td>
<td>8.0¢</td>
<td>8.0¢</td>
</tr>
<tr>
<td>Final dividend – preference securities</td>
<td>3.3159¢</td>
<td>3.3159¢</td>
</tr>
<tr>
<td>Interim dividend – ordinary securities</td>
<td>5.0¢</td>
<td>5.0¢</td>
</tr>
<tr>
<td>Interim dividend – preference securities</td>
<td>3.3341¢</td>
<td>3.3341¢</td>
</tr>
</tbody>
</table>
Statement of Financial Performance for the year ended 30 June 2004
John Fairfax Holdings Limited and controlled entities

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from ordinary activities, excluding interest income</td>
<td>1,773,368</td>
<td>1,216,645</td>
</tr>
<tr>
<td>Share of net profits of associates and joint ventures</td>
<td>1,408</td>
<td>1,231</td>
</tr>
<tr>
<td>Expenses from ordinary activities, excluding depreciation and borrowing costs</td>
<td>(1,341,815)</td>
<td>(947,409)</td>
</tr>
<tr>
<td>Profit from ordinary activities before depreciation, interest income, borrowing costs and income tax</td>
<td>432,961</td>
<td>270,467</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(85,306)</td>
<td>(69,209)</td>
</tr>
<tr>
<td>Profit from ordinary activities before interest income, borrowing costs and income tax</td>
<td>347,655</td>
<td>201,258</td>
</tr>
<tr>
<td>Interest income</td>
<td>9,598</td>
<td>9,322</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(81,492)</td>
<td>(32,811)</td>
</tr>
<tr>
<td><strong>Profit from ordinary activities before income tax expense</strong></td>
<td>275,761</td>
<td>177,769</td>
</tr>
<tr>
<td>Income tax benefit/(expense) relating to ordinary activities</td>
<td>1,012</td>
<td>(52,023)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>276,773</td>
<td>125,746</td>
</tr>
<tr>
<td>Net profit attributable to outside equity interest</td>
<td>(759)</td>
<td>(221)</td>
</tr>
<tr>
<td><strong>Net profit attributable to members of the Company</strong></td>
<td>276,014</td>
<td>125,525</td>
</tr>
<tr>
<td>Net increase in asset revaluation reserve</td>
<td>523</td>
<td>1,885</td>
</tr>
<tr>
<td>Net exchange difference on translation of financial report of foreign controlled entities</td>
<td>18,783</td>
<td>272</td>
</tr>
<tr>
<td>Share issue costs</td>
<td>(1,806)</td>
<td>(7,943)</td>
</tr>
<tr>
<td><strong>Total revenues, expenses and valuation adjustments attributable to members of the Company and recognised directly into equity</strong></td>
<td>17,500</td>
<td>(5,786)</td>
</tr>
<tr>
<td>Total changes in equity other than those resulting from transactions with owners</td>
<td>293,514</td>
<td>119,739</td>
</tr>
<tr>
<td>Basic earnings per share (cents)**</td>
<td>29.07</td>
<td>14.38</td>
</tr>
<tr>
<td>Diluted earnings per share (cents)**</td>
<td>28.81</td>
<td>14.38</td>
</tr>
</tbody>
</table>

* Net profit attributable to members of the Company comprises:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing operations</td>
<td>207,644</td>
<td>125,525</td>
</tr>
<tr>
<td>Significant items net</td>
<td>68,370</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>276,014</td>
<td>125,525</td>
</tr>
</tbody>
</table>

** The 30 June 2003 comparative has been restated in accordance with AASB 1027
"Earnings per Share" for the adjustment factor relating to the Dividend Reinvestment Plan (DRP) issue during the year ended 30 June 2004.
## Statement of Financial Position as at 30 June 2004

**John Fairfax Holdings Limited and controlled entities**

<table>
<thead>
<tr>
<th>Note</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>28,105</td>
<td>19,446</td>
</tr>
<tr>
<td>Receivables</td>
<td>270,662</td>
<td>257,481</td>
</tr>
<tr>
<td>Inventories</td>
<td>42,079</td>
<td>40,903</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>683</td>
<td>1,008</td>
</tr>
<tr>
<td>Tax assets</td>
<td>6,887</td>
<td>221</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>348,416</td>
<td>319,059</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>3,268</td>
<td>2,239</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>6</td>
<td>8,129</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>24,538</td>
<td>34,745</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>780,416</td>
<td>819,726</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,314,919</td>
<td>2,203,888</td>
</tr>
<tr>
<td>Tax assets</td>
<td>51,504</td>
<td>39,463</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>3,182,774</td>
<td>3,107,092</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,531,190</td>
<td>3,426,151</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>255,017</td>
<td>278,634</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>43,289</td>
<td>645,608</td>
</tr>
<tr>
<td>Provisions</td>
<td>50,649</td>
<td>49,500</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>348,955</td>
<td>973,742</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non interest-bearing liabilities</td>
<td>109</td>
<td>972</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>11</td>
<td>1,074,352</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>1,654</td>
<td>60,418</td>
</tr>
<tr>
<td>Provisions</td>
<td>37,372</td>
<td>35,103</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>1,113,487</td>
<td>670,647</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,462,442</td>
<td>1,644,389</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>2,068,748</td>
<td>1,781,762</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>8</td>
<td>1,357,668</td>
</tr>
<tr>
<td>Reserves</td>
<td>26,402</td>
<td>7,096</td>
</tr>
<tr>
<td>Retained profits</td>
<td>9</td>
<td>679,817</td>
</tr>
<tr>
<td><strong>Total parent entity interest in equity</strong></td>
<td>2,063,887</td>
<td>1,777,440</td>
</tr>
<tr>
<td><strong>Total outside equity interest</strong></td>
<td>4,861</td>
<td>4,322</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>2,068,748</td>
<td>1,781,762</td>
</tr>
</tbody>
</table>
Statement of Cash Flows for the year ended 30 June 2004
John Fairfax Holdings Limited and controlled entities

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>1,926,595</td>
<td>1,337,086</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(1,551,823)</td>
<td>(1,060,087)</td>
</tr>
<tr>
<td>Redundancy and severance payments</td>
<td>(16,925)</td>
<td>(17,578)</td>
</tr>
<tr>
<td>Dividends and unit trust income received</td>
<td>3,544</td>
<td>527</td>
</tr>
<tr>
<td>Interest received</td>
<td>9,598</td>
<td>9,322</td>
</tr>
<tr>
<td>Borrowing costs paid</td>
<td>(76,310)</td>
<td>(32,550)</td>
</tr>
<tr>
<td>Net income taxes (paid)/received</td>
<td>(75,978)</td>
<td>17,632</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>218,701</strong></td>
<td><strong>254,352</strong></td>
</tr>
</tbody>
</table>

| Cash flows from investing activities |      |         |
| Payment for property, plant & equipment | (43,660) | (187,185) |
| Proceeds from sale of property, plant & equipment | 4,567 | 5,813 |
| Payment for investments             | (643) | (4,632) |
| Proceeds from sale of investments   | 1,149 | 1,946   |
| Purchase of The Text Media Group Limited (net of cash acquired) | (65,456) | - |
| Payment for mastheads and tradenames and working capital of the New Zealand publishing business of Independent Newspapers Limited | - | (938,693) |
| Payment for other mastheads and tradenames | (443) | - |
| Loans and deposits repaid           | 328   | 303     |
| **Net cash (used) in investing activities** | **(104,158)** | **(1,122,448)** |

| Cash flows from financing activities |      |         |
| Proceeds from issues of shares*     | 76,253 | 366,631 |
| Transaction costs from issue of shares | (1,806) | (7,943) |
| Dividends paid*                     | (83,320) | (104,837) |
| Proceeds from borrowings            | 550,166 | 666,903 |
| Repayment of borrowings and other financial liabilities | (647,177) | (40,511) |
| **Net cash (used in)/provided by financing activities** | **(105,884)** | **880,243** |

| Net increase in cash held           | 8,659 | 12,147  |
| Cash at the beginning of the financial year | 19,446 | 7,299   |
| **Cash at the end of the financial year** | **28,105** | **19,446** |

* Under the terms of the DRP, $53.729 million (2003: nil) of dividends were paid via the issue of 16,079,597 shares (2003: nil). A cash dividend payment of $64.963 million was made to shareholders that did not elect to participate in the DRP. 19,389,618 shares were issued to UBS Warburg Limited for the underwriting of this dividend payment.
Notes to the Preliminary final report for the year ended 30 June 2004

John Fairfax Holdings Limited and controlled entities

1. Change in accounting policies

The accounting policies have been applied consistently by each entity in the consolidated entity and are consistent with those of the previous year.

Certain comparative figures have been restated to conform with changes in presentation for the current year.

<table>
<thead>
<tr>
<th>Note</th>
<th>2004 $'000</th>
<th>2003 $'000</th>
</tr>
</thead>
</table>

2. Revenue from ordinary activities

Revenue from operating activities

Revenue generated from sale of:
- Newspapers 1,519,551 1,044,825
- Magazines 168,862 114,652
- Other 59,542 37,991

Total 1,747,955 1,197,468

Revenue from rendering of services 17,942 10,891

Dividend income:
- Other corporations 658 200
- Distributions from unit trusts 1,097 327

Underlying operating revenue from ordinary activities 1,767,652 1,208,886

Revenue from non-operating activities

Proceeds from sale of property, plant and equipment 4,567 5,813

Proceeds from sale of investments and controlled entities 1,149 1,946

Total 5,716 7,759

Interest income:
- Other persons / corporations 9,598 9,322

Total revenue from ordinary activities 1,782,966 1,225,967

Share of associate’s and joint ventures net profit accounted for using the equity method 6 1,408 1,231

3. Expenses from ordinary activities

a) Expenses by nature

Staff costs excluding staff redundancy costs 572,904 399,707

Newsprint and paper 252,494 201,013

Distribution and other production costs 207,978 131,562

Promotion and advertising costs 62,808 42,968

Write-down of non-current assets 1,089 4,745

Cost of disposals 4,771 5,642

Staff redundancy costs 18,113 8,012

Rent and outgoings 31,276 22,946

Repairs and maintenance 18,751 14,103

Communication costs 15,043 10,150

News services 10,654 7,080

Computer costs 10,872 7,445

Fringe benefits tax 7,315 4,838

Total expenses before borrowing costs, depreciation and amortisation 1,341,815 947,409
3. Expenses from ordinary activities (cont)

b) Detailed expense disclosures

Interest expense:


Depreciation:


Amounts provided for:


c) Gains/(Losses)


4. Significant items

Profit from ordinary activities before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the Consolidated entity:


Staff redundancy and other items associated with the closure of Spencer Street printing operations: (14,794) (2004) vs. - (2003)


5. Dividends paid and proposed

Dividends paid during the year
- Fully franked interim dividend of 5.5 cents per share / debenture paid 6 April 2004 (2003: 5.0 cents fully franked, paid 12 March 2003) $49,050 36,755
- Fully franked final dividend of 8.0 cents per share / debenture paid 14 November 2003 (2003: 7.0 cents fully franked, paid 17 October 2002) $69,642 51,457
- Fully franked PRESSES dividend of $3.6732 per share paid 12 December 2003 (2003: $3.3341 fully franked, paid 12 December 2002) $9,183 8,335
- Fully franked PRESSES dividend of $3.6696 per share paid 11 June 2004 (2003: $3.3159 per share franked, paid 12 June 2003) $9,174 8,290

Total franked dividends paid $137,049 104,837

Dividends proposed and not recognised as a liability
Since the balance date the directors have declared a final dividend of 11.0 cents per fully paid ordinary share fully franked at the corporate tax rate of 30%. The aggregate amount of the final dividend to be paid on 21 October 2004 out of the retained profits at 30 June 2004, but not recognised as a liability at the end of the year is expected to be $99.8 million.

Franking credits available
Franking credits available total approximately $399.3 million. On a tax paid basis this results in a franking account balance of $171.1 million. From this amount $42.8 million franking credits will be used to pay a fully franked dividend of $99.8 million on 21 October 2004.

Dividend reinvestment plan
John Fairfax Holdings Limited introduced a Dividend Reinvestment Plan (DRP) to eligible shareholders during the year ended 30 June 2004. The DRP commenced with the payment of the final dividend for the year ended 30 June 2003 made on 14 November 2003 and payment of the interim dividend for the year ended 30 June 2004 paid on 6 April 2004.

The DRP will include the payment of the final dividend for the year ended 30 June 2004 to be paid on 21 October 2004. The last date for the receipt of an election notice for participation in the plan for the final dividend is 28 September 2004.

Under the terms of the DRP eligible shareholders are able to reinvest their dividends in additional Fairfax shares, free of any brokerage or other transaction costs. Shares are issued and/or transferred to DRP participants at a predetermined price, less any discount that the directors may elect from time to time. The 2.5% discount applied to the two previous dividends will apply to the final dividend for the year ended 30 June 2004. Directors have resolved however, that the discount for subsequent dividends will be 0% unless otherwise determined by Directors in the future.

The DRP issue price in relation to the final dividend for the year ending 30 June 2004 will be based on the arithmetic average of the daily volume weighted average sale price of John Fairfax Holdings Limited shares traded on the stock exchange from 30 September 2004 to 14 October 2004 inclusive, excluding any trades that do not qualify under the terms of the DRP, less the 2.5% discount rounded to the nearest cent.
Notes to the Preliminary final report for the year ended 30 June 2004
John Fairfax Holdings Limited and controlled entities

2004 2003
$'000 $'000

6. Investments accounted for using the equity method

Carrying amount of investment in associates (a) 6,930 7,031
Carrying amount of investment in joint ventures (b) 1,199 -

8,129 7,031

(a) Interest in associates

Ownership interest

<table>
<thead>
<tr>
<th>Name</th>
<th>Ownership interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Associated Press Pty Limited (AAP)</td>
<td>44.7% 44.7%</td>
</tr>
<tr>
<td>Newspaper House Limited</td>
<td>45.5% 44.5%</td>
</tr>
<tr>
<td>New Zealand Press Association Limited</td>
<td>36.9% 36.9%</td>
</tr>
<tr>
<td>Times Newspapers Limited</td>
<td>50.0% 50.0%</td>
</tr>
</tbody>
</table>

Principal activities
The principal activities of AAP are operating the business of a news agency, disseminating news and information to media and business communities, providing and maintaining communications networks and facilities, and developing communications technology.
The principal activity of Newspaper House Limited is the owning of property.
The principal activities of New Zealand Press Association Limited are operating the business of a news agency and financial information service.
The principal activity of Times Newspapers Limited is newspaper publishing.

<table>
<thead>
<tr>
<th>Share of associates’ profit</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of associates’ profit before income tax</td>
<td>1,624</td>
<td>1,759</td>
</tr>
<tr>
<td>Share of associates’ income tax (expense) attributable to profit</td>
<td>(487)</td>
<td>(528)</td>
</tr>
<tr>
<td>Share of associates’ net profit</td>
<td>1,137</td>
<td>1,231</td>
</tr>
</tbody>
</table>

(b) Interest in joint ventures

Ownership interest

<table>
<thead>
<tr>
<th>Name</th>
<th>Ownership interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Text Pacific Pty Limited</td>
<td>50.0%</td>
</tr>
<tr>
<td>Victorian Lifestyle Property Pty Limited</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

Principal activities
The principal activities of Text Pacific Pty Limited are to publish custom, corporate and events publications.
The principal activity of Victorian Lifestyle Property Pty Limited is to publish a lifestyle and property magazine focusing on regional Victoria.

<table>
<thead>
<tr>
<th>Share of joint ventures’ profit</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of joint ventures’ profit before income tax</td>
<td>389</td>
<td>-</td>
</tr>
<tr>
<td>Share of joint ventures’ income tax (expense) attributable to profit</td>
<td>(118)</td>
<td>-</td>
</tr>
<tr>
<td>Share of joint ventures’ net profit</td>
<td>271</td>
<td>-</td>
</tr>
</tbody>
</table>

Contribution to net profit

271 -
Notes to the Preliminary final report for the year ended 30 June 2004
John Fairfax Holdings Limited and controlled entities

7. Capitalised borrowing costs
During the year ended 30 June 2004, borrowing costs of $nil (2003: $10.9 million) were capitalised into capital works.

8. Contributed equity

Shares
906,856,578 (2003: 867,457,363) ordinary shares
Fully paid 1,115,717 987,541

Preferred Reset Securities Exchangeable for Shares
2,500,000 (2003: 2,500,000) 241,951 241,951

Debentures
281 (2003: 281) debentures fully paid * *

Total issued capital 1,357,668 1,229,492

* Amount is less than $1000

Movements in issued capital during the financial year

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Number</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the financial year</td>
<td>867,457,363</td>
<td>735,099,595</td>
<td>987,541</td>
<td>628,853</td>
</tr>
<tr>
<td>Shares issued – institutional placement</td>
<td>-</td>
<td>110,264,939</td>
<td>-</td>
<td>305,434</td>
</tr>
<tr>
<td>Shares issued – share purchase plan</td>
<td>-</td>
<td>21,944,829</td>
<td>-</td>
<td>60,787</td>
</tr>
<tr>
<td>Shares issued – dividend reinvestment plan</td>
<td>35,469,215</td>
<td>-</td>
<td>118,692</td>
<td>-</td>
</tr>
<tr>
<td>Shares issue costs</td>
<td>-</td>
<td>-</td>
<td>(1,806)</td>
<td>(7,943)</td>
</tr>
<tr>
<td>Converted from options (i)</td>
<td>3,930,000</td>
<td>148,000</td>
<td>11,290</td>
<td>410</td>
</tr>
<tr>
<td>Balance at the end of the financial year</td>
<td>906,856,578</td>
<td>867,457,363</td>
<td>1,115,717</td>
<td>987,541</td>
</tr>
</tbody>
</table>

Preferred Reset Securities Exchangeable for Shares (PRESSES)
Balance at the beginning of the financial year | 2,500,000 | 2,500,000 | 241,951   | 241,951   |
PRESSES issued | -          | -          | -          | -          |
Issue costs | -          | -          | -          | -          |
Balance at the end of the financial year | 2,500,000 | 2,500,000 | 241,951   | 241,951   |

Debentures
Balance at the beginning of the financial year | 281        | 281        | *          | *          |
Converted to shares | -          | -          | -          | -          |
Balance at the end of the financial year | 281        | 281        | *          | *          |

* Amount is less then $1000

(i) Options exercised and converted to shares during the year:

<table>
<thead>
<tr>
<th>Exercise Date</th>
<th>2004</th>
<th>2004</th>
<th>2004</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exercise Date</td>
<td>Number</td>
<td>Issue Price</td>
<td>Exercise Date</td>
</tr>
<tr>
<td></td>
<td>Sep 2003</td>
<td>30,000</td>
<td>$2.76</td>
<td>Jun 2003</td>
</tr>
<tr>
<td></td>
<td>Oct 2003</td>
<td>240,000</td>
<td>$3.08</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oct 2003</td>
<td>2,800,000</td>
<td>$2.85</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nov 2003</td>
<td>160,000</td>
<td>$3.08</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dec 2003</td>
<td>700,000</td>
<td>$2.85</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,930,000</td>
<td>148,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Preliminary final report for the year ended 30 June 2004
John Fairfax Holdings Limited and controlled entities

9. Retained profits

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Balance at the beginning of the financial year</td>
<td>540,852</td>
<td>468,707</td>
</tr>
<tr>
<td>Net profit attributable to members of the Company</td>
<td>276,014</td>
<td>125,525</td>
</tr>
<tr>
<td>Adjustment arising from the initial adoption of accounting standard AASB 1044 Provisions, Contingent Liabilities and Contingent Assets</td>
<td>-</td>
<td>51,457</td>
</tr>
<tr>
<td>Total available for appropriation</td>
<td>816,866</td>
<td>645,689</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>5 (137,049)</td>
<td>(104,837)</td>
</tr>
<tr>
<td>Retained profits at the end of the financial year</td>
<td>679,817</td>
<td>540,852</td>
</tr>
</tbody>
</table>

10. Earnings per share

Earnings reconciliation - basic

Net profit attributable to members of the Company:

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before significant items</td>
<td>207,644</td>
<td>125,525</td>
</tr>
<tr>
<td>Less dividend paid on PRESSES</td>
<td>(18,357)</td>
<td>(16,625)</td>
</tr>
<tr>
<td>Basic earnings before significant items and associate profits</td>
<td>189,287</td>
<td>108,900</td>
</tr>
</tbody>
</table>

Net profit attributable to members of the Company:

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>After significant items</td>
<td>276,014</td>
<td>125,525</td>
</tr>
<tr>
<td>Less dividend paid on PRESSES</td>
<td>(18,357)</td>
<td>(16,625)</td>
</tr>
<tr>
<td>Basic earnings after significant items and associate profits</td>
<td>257,657</td>
<td>108,900</td>
</tr>
</tbody>
</table>

Earnings reconciliation – diluted

Net profit attributable to members of the Company:

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before significant items</td>
<td>207,644</td>
<td>125,525</td>
</tr>
<tr>
<td>Less dividend paid on PRESSES</td>
<td>(18,357)</td>
<td>(16,625)</td>
</tr>
<tr>
<td>Diluted earnings before significant items and associate profits</td>
<td>189,287</td>
<td>108,900</td>
</tr>
</tbody>
</table>

Net profit attributable to members of the Company:

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>After significant items</td>
<td>276,014</td>
<td>125,525</td>
</tr>
<tr>
<td>Less dividend paid on PRESSES</td>
<td>-</td>
<td>(16,625)</td>
</tr>
<tr>
<td>Diluted earnings after significant items and associate profits</td>
<td>276,014</td>
<td>108,900</td>
</tr>
</tbody>
</table>

Weighted average number of ordinary shares used in calculating basic EPS before and after significant items (000’s)

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options</td>
<td>886,319</td>
<td>756,246</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares used in calculating diluted EPS before significant items (000’s)</td>
<td>886,527</td>
<td>756,473</td>
</tr>
<tr>
<td>PRESSES</td>
<td>71,386</td>
<td>-</td>
</tr>
</tbody>
</table>

Weighted average number of ordinary shares used in calculating diluted EPS after significant items (000’s)

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of ordinary shares used in calculating diluted EPS after significant items (000’s)</td>
<td>957,913</td>
<td>756,473</td>
</tr>
</tbody>
</table>

Basic earnings per share (cents) based on net profit attributable to members of the Company

<table>
<thead>
<tr>
<th>Note</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before significant items**</td>
<td>21.36</td>
<td>14.38</td>
</tr>
<tr>
<td>After significant items**</td>
<td>29.07</td>
<td>14.38</td>
</tr>
</tbody>
</table>
Statement of Financial Position as at 30 June 2004

John Fairfax Holdings Limited and controlled entities

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

10. Earnings per share (cont)

Diluted earnings per share (cents) based on net profit attributable to members of the Company

<table>
<thead>
<tr>
<th></th>
<th>Before significant items**</th>
<th>After significant items**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21.35</td>
<td>28.81</td>
</tr>
<tr>
<td></td>
<td>14.38</td>
<td>14.38</td>
</tr>
</tbody>
</table>

As at 30 June 2004, all potential ordinary shares (PRESSES and options) are dilutive and included in the diluted EPS calculation after significant items. In accordance with AASB 1027 "Earnings per Share", the Company has 71,385,689 potential ordinary shares (PRESSES) which are not dilutive and are not included in the diluted EPS calculation before significant items.

As at June 2003, the Company had 86,761,599 potential ordinary shares (PRESSES) which were not dilutive and were not included in the diluted EPS calculation before and after significant items.

** The 30 June 2003 comparative has been restated in accordance with AASB 1027 "Earnings per Share" for the adjustment factor relating to the Dividend Reinvestment Plan (DRP) issue during the year ended 30 June 2004

11. Interest-bearing liabilities

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

Current

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank borrowings (unsecured)</td>
<td>36,393</td>
<td>639,000</td>
</tr>
<tr>
<td>Other borrowings (unsecured)</td>
<td>6,896</td>
<td>6,608</td>
</tr>
<tr>
<td><strong>Total current interest-bearing liabilities</strong></td>
<td>43,289</td>
<td>645,608</td>
</tr>
</tbody>
</table>

Non-current

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank borrowings (unsecured)</td>
<td>1,019,930</td>
<td>519,589</td>
</tr>
<tr>
<td>Lease liability (unsecured)</td>
<td>54,422</td>
<td>54,565</td>
</tr>
<tr>
<td><strong>Total non-current interest-bearing liabilities</strong></td>
<td>1,074,352</td>
<td>574,154</td>
</tr>
</tbody>
</table>

The consolidated entity has access to a A$550 million committed Syndicated Facility. This facility can be drawn or utilised until April 2009. This facility is drawn to A$175 million. The interest rate for drawings under this facility is the applicable bank bill rate plus a credit margin.

The Company issued Senior Notes in the US private placement market with a principal value of US$230 million (A$339 million) in January 2004 with a fixed coupon of between 4.74% p.a. and 5.85% p.a payable semi-annually in arrears. The interest and principal on the Senior Notes are payable in US dollars and were swapped into floating rate New Zealand and floating rate Australian dollars with cross-currency swaps and were used to part repay the Acquisition Bridging Financing Facility established to finance the acquisition of Independent Newspapers Limited’s New Zealand publishing assets and liabilities as at 30 June 2003. This issue of Senior Notes comprises of maturities ranging from January 2011 to January 2019. The weighted average maturity of the issue is approximately 11 years. The applicable cross-currency swap credit margin includes the cost of hedging all currency risk and future interest and principal repayments on a quarterly basis.

The balance of the acquisition bridging facility was refinanced with the Syndicated Facility (see above).
12. **Net tangible assets per security**

Net tangible asset backing per ordinary security  

(55.2)¢  

(78.0)¢

13. **Control gained over entities during the period**

The consolidated entity gained control over The Text Media Group Limited on 12 January 2004, by acquiring 100% of the voting share capital.

14. **Loss of control of entities during the period**

The consolidated entity lost control over Text Publishing Company Pty Limited on 31 May 2004. The Text Publishing Company Pty Limited was the book publishing business acquired by the consolidated entity as part of the acquisition of The Text Media Group Limited.
15. Segment reporting

The economic entity operates predominantly in two geographic segments, Australia and New Zealand.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to customers outside the economic entity</td>
<td>1,274,871</td>
<td>1,197,468</td>
<td>473,084</td>
<td>-</td>
<td>-</td>
<td>1,747,955</td>
<td>1,197,468</td>
<td></td>
</tr>
<tr>
<td>Other revenue from customers outside the economic entity</td>
<td>16,198</td>
<td>19,177</td>
<td>9,215</td>
<td>-</td>
<td>-</td>
<td>25,413</td>
<td>19,177</td>
<td></td>
</tr>
<tr>
<td>Inter-segment revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Share of equity accounted profits</td>
<td>1,317</td>
<td>1,231</td>
<td>91</td>
<td>-</td>
<td>-</td>
<td>1,408</td>
<td>1,231</td>
<td></td>
</tr>
<tr>
<td>Total segment revenue</td>
<td>1,292,386</td>
<td>1,217,876</td>
<td>482,390</td>
<td>-</td>
<td>-</td>
<td>1,774,776</td>
<td>1,217,876</td>
<td></td>
</tr>
<tr>
<td>Interest revenue</td>
<td>9,598</td>
<td>9,322</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue from ordinary activities</td>
<td>1,784,374</td>
<td>1,227,198</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment result</td>
<td>214,688</td>
<td>201,258</td>
<td>132,967</td>
<td>-</td>
<td>-</td>
<td>347,655</td>
<td>201,258</td>
<td></td>
</tr>
<tr>
<td>Unallocated expenses</td>
<td>(71,894)</td>
<td>(23,489)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated profit from ordinary activities before income tax expense</td>
<td>275,761</td>
<td>177,769</td>
<td>1,012</td>
<td>(52,023)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax benefit/(expense)</td>
<td>276,773</td>
<td>125,746</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated profit from ordinary activities after income tax expense</td>
<td>3,531,190</td>
<td>3,426,151</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment assets</td>
<td>3,383,866</td>
<td>3,291,402</td>
<td>1,193,841</td>
<td>1,138,653</td>
<td>(1,104,908)</td>
<td>(1,043,588)</td>
<td>3,472,799</td>
<td>3,386,467</td>
</tr>
<tr>
<td>Unallocated assets</td>
<td>58,391</td>
<td>39,684</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>58,391</td>
<td>39,684</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,531,190</td>
<td>3,426,151</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,531,190</td>
<td>3,426,151</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>256,089</td>
<td>270,040</td>
<td>925,962</td>
<td>871,753</td>
<td>(838,904)</td>
<td>(777,584)</td>
<td>343,147</td>
<td>364,209</td>
</tr>
<tr>
<td>Unallocated liabilities</td>
<td>1,119,295</td>
<td>1,280,180</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,119,295</td>
<td>1,280,180</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,462,442</td>
<td>1,644,389</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,462,442</td>
<td>1,644,389</td>
</tr>
<tr>
<td>Other segment information:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity method investments included in segment assets</td>
<td>7,397</td>
<td>6,419</td>
<td>732</td>
<td>612</td>
<td>-</td>
<td>-</td>
<td>8,129</td>
<td>7,031</td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment, intangible assets and other non-current assets</td>
<td>103,631</td>
<td>74,709</td>
<td>6,571</td>
<td>1,055,801</td>
<td>-</td>
<td>-</td>
<td>110,202</td>
<td>1,130,510</td>
</tr>
<tr>
<td>Depreciation</td>
<td>71,224</td>
<td>67,607</td>
<td>12,541</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>83,765</td>
<td>67,607</td>
</tr>
<tr>
<td>Amortisation</td>
<td>1,541</td>
<td>1,602</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,541</td>
<td>1,602</td>
</tr>
<tr>
<td>Non-cash expenses other than depreciation and amortisation</td>
<td>42,881</td>
<td>46,250</td>
<td>11,177</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>54,058</td>
<td>46,250</td>
</tr>
</tbody>
</table>
## 16. Underlying trading performance

<table>
<thead>
<tr>
<th></th>
<th>As reported</th>
<th>Adjustments</th>
<th>Underlying trading performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>2004 $’000</td>
<td>2003 $’000</td>
<td>Note $’000</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,773,368</td>
<td>1,216,645</td>
<td>(vi) (2,699)</td>
</tr>
<tr>
<td>Associate profits</td>
<td>(ii) 1,408</td>
<td>1,231</td>
<td>-</td>
</tr>
<tr>
<td>Expenses</td>
<td>(iii) 1,341,815</td>
<td>947,409</td>
<td>(viii) (23,240)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>432,961</td>
<td>270,467</td>
<td>20,541</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>(iv) 85,306</td>
<td>69,209</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>347,655</td>
<td>201,258</td>
<td>20,541</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>(v) 71,894</td>
<td>23,489</td>
<td>-</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>275,761</td>
<td>177,769</td>
<td>20,541</td>
</tr>
<tr>
<td>Tax expense/(benefit)</td>
<td>(1,012)</td>
<td>52,023</td>
<td>(vii) 88,911</td>
</tr>
<tr>
<td>Net profit</td>
<td>276,773</td>
<td>125,746</td>
<td>(68,370)</td>
</tr>
<tr>
<td>Net profit attributable to outside equity interest</td>
<td>759</td>
<td>221</td>
<td>-</td>
</tr>
<tr>
<td>Net profit attributable to members of the company</td>
<td>276,014</td>
<td>125,525</td>
<td>(68,370)</td>
</tr>
</tbody>
</table>

Notes:

(i) Revenue from ordinary activities excluding interest income (Note 2).
(ii) Share of net profits of associates and joint ventures (Note 2).
(iii) Expenses from ordinary activities excluding depreciation and amortisation (Note 3(a)).
(iv) Depreciation and amortisation (Note 3(b)).
(v) Interest income (Note 2) less borrowing costs (Note 3(b)).
(vi) Proceeds from the sale of property, plant and equipment, investments and controlled entities (Note 2) of ($5,716) and significant revenue items of $3,017.
(vii) Effect of entry into tax consolidations and income tax on other significant items (Note 4).
(viii) Significant cost items (Note 4) of ($17,524) and proceeds from the sale of property, plant and equipment, investments and controlled entities (Note 2) of ($5,716).
Notes to the Preliminary final report for the year ended 30 June 2004

John Fairfax Holdings Limited and controlled entities

Compliance statement

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

2. This report, and the accounts upon which the report is based use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed.

4. This report is based on accounts to which one of the following applies.

   - [ ] The accounts have been audited.
   - [ ] The accounts have been subject to review.
   - [✓] The accounts are in the process of being audited or subject to review.
   - [ ] The accounts have not yet been audited or reviewed.

5. The entity does have a formally constituted audit committee.

Sign here: .................................................. Date: ..............................

(Director)

Print name: Frederick G. Hilmer

Commentary on results for the period

Refer to press release.