



FAIRFAX MEDIA ANNOUNCES SALE OF SOUTHERN STAR TO ENDEMOL

SYDNEY, 20 January, 2009: Fairfax Media Limited [ASX:FXJ] today announced the sale of the Southern Star television production and distribution business to Endemol for \$75 million plus an earn-out. The sale is conditional on obtaining regulatory approvals and certain other matters and is expected to be completed in Q1 2009.

Fairfax Media will retain ownership of Southern Star Factual, the UK-based natural history, science and factual producer previously known as Oxford Scientific Films, and its 75% stake in leading UK children's and interactive producer Darrall Macqueen.

Combined with the recent sale of Carnival Film and Television Ltd to NBC Universal, Fairfax Media will receive total net cash proceeds of approximately \$120 million. The sale agreements for the transactions also provide for additional earn-out payments due in three years contingent on business performance. Fairfax Media acquired the Southern Star group, including Carnival, for \$150 million.

The Chairman of Fairfax Media, Mr Ronald Walker said, "This is a welcome transaction in a difficult market. The proceeds will be used to pay down debt and strengthen our balance sheet."

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