NOTES TO THE FINANCIAL STATEMENTS

FAIRFAX MEDIA LIMITED AND CONTROLLED ENTITIES FOR THE PERIOD ENDED 30 JUNE 2013

19. INTEREST BEARING LIABILITIES

	NOTE	30 JUNE 2013 $'000	24 JUNE 2012 $'000
Current interest bearing liabilities – unsecured			
Other loans			
Senior notes	(C)	**277,700**	–
Other	(D)	**2,185**	2,308
Finance lease liability	(D)	**4,438**	4,131
Total current interest bearing liabilities		**284,323**	6,439
Non-current interest bearing liabilities – unsecured			
Bank borrowings	(B)	**123,548**	718,177
Other loans			
Senior notes	(C)	**220,508**	466,302
Other	(D)	**3,819**	6,003
Finance lease liability	(D)	**6,014**	10,452
Total non-current interest bearing liabilities		**353,889**	1,200,934

NET DEBT FOR FINANCIAL COVENANT PURPOSES

Cash and cash equivalents	**(533,531)**	(358,364)
Current interest bearing liabilities	**284,323**	6,439
Non-current interest bearing liabilities	**353,889**	1,200,934
Derivative financial instruments liabilities *	**49,812**	65,089
Net debt for financial covenant purposes	**154,493**	914,098

* Debt hedging instruments are measured against the undiscounted contractual AUD cross currency swap obligations and therefore may not equate to the values disclosed in the balance sheet (inclusive of transaction costs).

(A) FINANCING ARRANGEMENTS

The Group net debt for financial covenant purposes, taking into account all debt related derivative financial instruments, was $154.5 million as at 30 June 2013 (2012: $914.1 million).

The Group has sufficient unused committed facilities and cash at the reporting date to finance maturing current interest bearing liabilities. The Group has a number of finance facilities which are guaranteed by Fairfax Media Limited and are covered by deeds of negative pledge.

(B) BANK BORROWINGS

A $441.6 million syndicated bank facility (2012: $1,155.6 million) is available to the Group maturing in April 2015. At 30 June 2013, $125.0 million was drawn down (2012: $590.0 million). The interest rate for drawings under this facility is the applicable bank bill rate plus a credit margin.

(C) SENIOR NOTES

The Group issued Senior Notes in the US private placement market with a principal value of US$230 million (A$289.8 million) in January 2004 with a fixed coupon of between 4.7% p.a. and 5.9% 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 dollars and floating rate Australian dollars via cross currency swaps. This issue of Senior Notes comprises maturities ranging from January 2011 to January 2019. In January 2011 Senior Notes of US$50 million were repaid. The weighted average maturity of the issue is approximately 2.7 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.