

## FAIRFAX MEDIA LIMITED

### OFFER DOCUMENT FOR TRADE ME IPO LODGED

#### Key highlights

- Offer Document for the IPO of Trade Me lodged
- Trade Me to be listed on both the NZSX and ASX under the ticker “TME”, with trading expected to commence on 13 December 2011
- Based on the Offer Price of NZ\$2.70 per share, Trade Me is expected to have a market capitalisation of approximately NZ\$1,069 million on listing
- Approximately 30% of Trade Me shares, or 118.8 million shares have been allocated to New Zealand and Australian institutions, and New Zealand brokers following the completion of the bookbuild
- Up to a further 4%, or 15.8 million Trade Me shares to be made available to eligible Fairfax Media shareholders, eligible Trade Me and Fairfax New Zealand employees and eligible Trade Me customers under the Priority Offer
- Fully underwritten Offer to provide Fairfax Media with total proceeds of approximately NZ\$530 million, when combined with new Trade Me Group debt

SYDNEY, 9 November, 2011: Fairfax Media Limited [ASX: FXJ] today announced that Trade Me Group Limited (“Trade Me”) has lodged the combined investment statement and prospectus (“Offer Document”) in New Zealand and Australia in relation to the IPO of Trade Me (the “Offer”). This follows the bookbuild to institutional investors, NZX Firms and Brokers which was completed on 7 November, 2011.

The IPO is fully underwritten by UBS New Zealand Limited (“UBS”) with Trade Me to issue 134.6 million shares to new investors at a fixed Offer Price of NZ\$2.70 per share. Following the completion of the Offer, Fairfax Media will have a shareholding of approximately 66% in Trade Me.

Greg Hywood, CEO and Managing Director of Fairfax Media, said “The IPO of Trade Me will enable Fairfax to reduce debt and provide greater financial flexibility. Trade Me will continue to be an important component of Fairfax’s multi-platform strategy and together with the new Directors and shareholders, we look forward to being part of Trade Me’s future growth.”

David Kirk, Chairman of Trade Me, said “The IPO enables eligible members of Trade Me, its employees and the broader community to share in Trade Me’s success. Trade Me operates the leading online marketplace and classified advertising business in New Zealand and has been at the forefront of New Zealanders’ migration online for many years.”

#### Overview of Trade Me

Trade Me is the market leader in online auctions, motor classifieds and property classifieds in New Zealand, and is the second largest participant in online employment classifieds. Trade Me also has online businesses in accommodation, dating, and group buying. As at 30 September 2011, Trade Me had more than 2.8 million members and more than 1.8 million concurrent listings across various categories.

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Trade Me expects (based on assumptions set out in the Offer Document) to achieve revenue of NZ\$154.1 million and pro forma EBITDA of NZ\$110.9 million for the 12 months ending 31 December 2012. Based on the prior corresponding period, the implied revenue and pro forma EBITDA growth is 12.9% and 10.0% respectively.

### **Offer Structure**

The Offer is being made available to the following investors:

- selected retail investors who receive an allocation from an NZX Firm or Broker under the Broker Firm Offer;
- selected institutions under the Institutional Offer; and
- eligible Fairfax Media shareholders, eligible Trade Me and Fairfax New Zealand employees and eligible Trade Me members under the Priority Offer.

In addition, certain employees of the Trade Me executive team are being offered Restricted Shares under the Trade Me Executive Share Offer.

There is no general public offer.

Approximately 30%, or 118.8 million of the total shares available under the Offer have been allocated under the Institutional Offer and Broker Firm Offer following completion of the bookbuild.

Approximately 75% of the shares allocated in the bookbuild were allocated to New Zealand NZX Firms and institutions that participated in the bookbuild.

Approximately 4% of the total shares under the Offer will be made available under the Priority Offer to eligible Fairfax Media shareholders, eligible Trade Me and Fairfax New Zealand employees and eligible Trade Me members.

Shareholders of Fairfax Media resident in Australia and New Zealand as at 28 October 2011 will be eligible for the Priority Offer. Eligible Fairfax Media shareholders will shortly receive a letter outlining the investment opportunity and instructions on how to apply.

The offer is expected to open on 17 November 2011 with listing and quotation on the NZSX and ASX expected to occur on 13 December 2011.

A copy of the Offer Document can be viewed at [ipo.trademe.co.nz](http://ipo.trademe.co.nz).

### **Proceeds of the Offer**

The gross proceeds from the Offer are expected to be approximately NZ\$530 million when combined with new debt in Trade Me of NZ\$166 million and will be paid to Fairfax Media.

The proceeds will be used initially by Fairfax Media to reduce debt.

### Key Offer Statistics

Offer Price	NZ\$2.70 per share
Shares on issue following the Offer <sup>1</sup>	396.0 million
Market capitalisation <sup>2</sup>	NZ\$1,069 million
Net debt (as at completion of the Offer) <sup>3</sup>	NZ\$164 million
Implied enterprise value <sup>4</sup>	NZ\$1,233 million
Offer Price/Pro forma CY12F EPS <sup>5</sup>	15.6x
Implied enterprise value/Pro forma CY12F EBITDA <sup>5</sup>	11.1x
CY12F cash dividend yield <sup>5</sup>	5.1%

Notes:

1. The total number of shares on issue following completion of the Offer includes ordinary shares and Restricted Shares.
2. Represents the Offer Price multiplied by the total number of Shares on issue following completion of the Offer.
3. Net debt being total borrowings less cash and cash equivalents. Refer to the section entitled Financial information in the Offer Document for further information regarding the prospective statement of financial position as at completion of the Offer.
4. Implied enterprise value represents market capitalisation (refer note 2 above) plus net debt as at completion of the Offer (refer note 3 above).
5. Based on the Offer Price and the pro forma financial information for the 12 month period ending 31 December 2012. Refer to the section entitled Financial information in the Offer Document for further information on pro forma financial information.

### Indicative Timetable

Offer Document registered in New Zealand and lodged with ASIC	9 November 2011
Broker Firm Offer and Priority Offer expected to open	17 November 2011
Priority Offer Closing Date	5 December 2011
Broker Firm Offer Closing Date	6 December 2011
Settlement, allocation and allotment	12 December 2011
Expected commencement of trading on the NZSX and ASX (on a deferred settlement basis for ASX)	13 December 2011

This timetable is indicative only. Trade Me and Fairfax Media, in consultation with UBS, reserve the right to amend these dates at their sole discretion.

-- ENDS --

For further information, please contact:

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*No person named in this announcement (including Fairfax Media, Trade Me or any of their respective directors, officers or employees), nor any other person, guarantees the shares available for subscription pursuant to the Offer, the future performance of Trade Me or any return on any investments made pursuant to the Offer.*

*Application has been made to NZX for permission to list Trade Me Group Limited and to quote the shares on the NZSX and all requirements of NZX relating to that application that can be complied with on or before the date of*

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*the Offer Document have been duly complied with. However, NZX accepts no responsibility for any statement in this announcement.*

*The Offer will be made in Australia in the prospectus (including the Australian wrap). A copy of the prospectus is available by contacting the Trade Me Share Offer Information Line on 1800 868 464. A person should consider the prospectus in deciding whether to apply for shares under the Offer. Anyone wanting to acquire shares in Trade Me will need to complete the application form that will be in or will accompany the prospectus. Application will be made to ASX for listing and quotation of the Trade Me Shares. However, ASX accepts no responsibility for any statement in this announcement.*

*This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.*

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