



PROPOSED INITIAL PUBLIC OFFERING OF TRADE ME

SYDNEY, 26 August, 2011: Fairfax Media Limited [ASX: FXJ] has commenced preparation for an Initial Public Offering ('IPO') of Trade Me - New Zealand's largest online auctions and classifieds business.

The decision to pursue an IPO of Trade Me is a further initiative arising from the recent strategic review of Fairfax Media's portfolio of assets. Fairfax intends to sell between 30% and 35% of Trade Me through the IPO and anticipates the proceeds from any IPO will be applied to reduce debt and provide the flexibility to increase dividends. Trade Me will be listed on the New Zealand Exchange with consideration to be given to a potential ASX listing."

Greg Hywood, CEO and Managing Director of Fairfax, said "The decision to pursue the IPO of Trade Me is a further step in reshaping the Fairfax portfolio and adopting a more flexible corporate structure to maximise shareholder value. Importantly, Fairfax will continue to benefit from the strong growth profile of Trade Me through a shareholding of at least 65%.

"The resultant corporate structure supporting Fairfax's multi-platform strategy will retain portfolio benefits, whilst unlocking value for Trade Me and Fairfax shareholders.

"Trade Me is New Zealand's largest auctions and classifieds business and its growth within the Fairfax portfolio has been dramatic - driven by its community of 2.8 million New Zealand members. The company is now of sufficient scale to operate as a standalone, separately listed company and we believe it will benefit from the increased public profile, independent access to capital, and opportunity for direct investment by New Zealand investors."

David Kirk has agreed to be the non-executive Chairman of Trade Me and UBS has been appointed as Sole Lead Manager in relation to the IPO. The timing of the IPO has not been finalised and will depend on appropriate market conditions. Further details of the IPO will be announced in due course.

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