



Fairfax Media agrees to merge Fairfax Community Newspapers in Victoria with Metro Media Publishing

SYDNEY, 23 December 2011:

Fairfax Media Limited [ASX: FXJ] announced today that it has entered into an agreement to merge Fairfax Community Newspapers in Victoria (FCNV) with Metro Media Publishing (MMP).

FCNV is the publisher of 32 weekly newspapers across the greater Melbourne area, with total weekly circulation of 1.25 million. MMP was founded by Antony Catalano in 2010 and publishes *The Weekly Review*, a free weekly premium real estate and lifestyle magazine delivered to around 220,000 households.

Following the merger, Fairfax Media will hold a 50% voting and economic interest in MMP. MMP will continue to hold its existing assets together with 100% of FCNV. To acquire this interest, Fairfax will contribute \$35 million in cash together with the assets of FCNV. In agreeing to the transaction, both Fairfax Media and MMP have committed to further development of MMP's existing business model, which enjoys strong support from real estate agents. MMP will continue to provide real estate agents and their clients with the opportunity to participate in product development. Antony Catalano will continue in his current role as Managing Director and chief executive officer of MMP.

Commenting on the transaction, Fairfax Media's CEO of Marketplaces Nic Cola said "We are delighted to be partnering with Antony Catalano and MMP to provide a more integrated and improved suite of products to real estate agents and their clients across the combined network. The real estate industry has been a great supporter of Fairfax Media for many decades, and we are committed to ensuring that our product offering evolves in accordance with the needs of both our advertisers and our readers."

Antony Catalano, Managing Director of MMP said "We are pleased with the success that MMP has achieved since we identified the opportunity to work with leading real estate agents on the launch of *The Weekly Review* in April 2010. I look forward to a close relationship with Fairfax Media as we set out to embed the MMP ethos across the combined business.

"This merger provides the opportunity to roll out Fairfax Media's Domain brand across the MMP titles, and to build a stronger internet and app presence for the local real estate industry. Both MMP and Fairfax Media see a bright future for high-quality local print publications working closely with real estate agents, and an improved digital presence will only enhance this offering."

The merger transaction is subject to approval from the Australian Competition and Consumer Commission.

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