

23 September 2014

Company Announcements Office
Australian Stock Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Dear Sir/Madam

**TRADE ME GROUP LIMITED (TME)
DISCLOSURE DOCUMENT RELATING TO REDEMPTION OF RESTRICTED SHARES**

Please find attached the Disclosure Document which is being sent (by mail or email) to Trade Me Group shareholders, relating to the redemption of 82,954 Restricted Shares held by former employees.

These Restricted Shares will not be able to qualify as ordinary shares in future because the Trade Me employment relationship has now ended, and in order for the company to effect redemption and cancellation of them under the Companies Act 1993(NZ), this Disclosure Document is required to be sent to shareholders.

Yours faithfully



Sarah Hard
Company Secretary

Disclosure relating to the buyback and cancellation of shares under the Trade Me Group Limited Long-term Executive Share Scheme (s.62 Companies Act 1993)

Introduction

This document is provided to all shareholders in accordance with the requirement of section 62 of the Companies Act 1993 (the Act). It details the intention of Trade Me Group Limited (Trade Me) to exercise an option to buy back and cancel certain restricted shares which were issued under the Long-Term Incentive Executive Share Scheme (LTI Scheme) but which the relevant employees have ceased to be entitled to hold because they have left the employment of Trade Me Limited.

What do you have to do?

This disclosure is provided to you for your information only and you are not required to take any action in relation to it.

Terms of the buyback offer

The restricted shares are to be bought back from TMG Trustee Limited which holds the LTI Scheme shares as bare trustee for the (now) ex-employees until the shares are either forfeited or become unrestricted under the LTI Scheme rules. The shares will be repurchased for their original issue price and the proceeds used to repay a loan that was provided on issue, so the ex-employees will not make any gain.

No director has any interest in the shares which are the subject of the buyback.

The buyback will occur at least 10 working days after this disclosure has been distributed to shareholders.

Directors' resolution

Trade Me's directors have resolved:

That Trade Me Group Limited (the Company) make an offer to TMG Trustee Limited (the Trustee) to acquire up to 82,954 ordinary shares (Shares) now held by the Trustee for certain beneficial holders who have left the Company's employment;

1. The buyback will be at the same price as the issue price for each of the Shares;
2. The buyback is in the best interests of the Company and is of benefit to the remaining shareholders;
3. The terms of the buyback and the consideration offered for the Shares are fair and reasonable to the Company and to the remaining shareholders;
4. The reasons for the director's conclusions are that:
 - a. The Company is exercising a buyback option given in consideration for the loan being provided to the Trustee to buy the Shares, under the LTI Scheme; and
 - b. The buyback and cancellation of Shares is a key part of facilitating the LTI Scheme which increases the alignment of interests between participating senior staff and shareholders;
 - c. The buyback price is the same as the original issue price for each of the Shares.
 - d. The Shares will be cancelled by the Company immediately upon completion of the buyback.

Note

Shareholder rights

Section 62(8) of the Act provides that a shareholder or the company may apply to the court for an order restraining the proposed acquisition on the grounds that:

- a. It is not in the best interests of the company and of benefit to remaining shareholders; or
- b. The terms of the offer and the consideration offered for the shares are not fair and reasonable to the company and remaining shareholders.

This disclosure is provided to you for your information only and you are not required to take any action in relation to it.

If you have any questions regarding this disclosure, please contact Trade Me's Company Secretary Sarah Hard on (04) 803 2676 or sarah.hard@trademe.co.nz.