

ASX RELEASE



Response to media reports

Sydney, 19 November 2018: Fairfax Media Limited (ASX:FXJ) ("**Fairfax**") advises shareholders that the company received a letter from Antony Catalano late on Sunday, 18 November 2018, which Mr Catalano released to the media on Sunday evening and which has been referenced in overnight press reports.

The letter contains no actual proposal that could be considered by Fairfax shareholders as an alternative to the proposed scheme of arrangement with Nine Entertainment Co Holdings Limited (ASX:NEC) ("**Nine**") ("**Scheme**").

Accordingly the Fairfax board, which met this morning, will proceed with the Federal Court ordered shareholders' meeting to consider the Scheme at 10.00am this morning, and continues to unanimously recommend that shareholders vote in favour of the Scheme.

The letter from Mr Catalano does not constitute a Superior Proposal under the terms of the Scheme Implementation Agreement between Fairfax and Nine, and therefore the Fairfax board is unable to consider it in any event.

The Fairfax Board believes that the value and strategic opportunities offered by the Scheme reflect a compelling proposition for Fairfax Shareholders.

The Scheme brings together two largely complementary businesses to create a diversified portfolio of media assets, comprising Fairfax's mastheads, Nine's FTA TV network, high-growth digital businesses including Domain, Stan and 9Now, as well as radio interests through Macquarie Media. The at-scale creation of content and access to audiences, premium brands and data across this portfolio are expected to underpin the Combined Group's ability to compete in the changing media market and deliver value for shareholders.

The Scheme Consideration comprises both scrip and cash components and if the Scheme is Implemented, Fairfax Shareholders will own approximately 48.9% of the Combined Group. The Fairfax Board considered the significant scrip component to be particularly compelling as it provides Fairfax Shareholders with the opportunity to participate in the benefits expected to be unlocked from the Combined Group's combination of assets and strategic opportunities available to it.

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Contact:

Brad Hatch
Director of Communications
+61 2 9282 2168
bhatch@fairfaxmedia.com.au