

## Fairfax Media Limited 2017 Scheme Meeting Chairman Address and Presentation

**Sydney, 2 November 2017:** Fairfax Media Limited [ASX:FXJ] (“**Fairfax**” or “**Company**”) is today holding a Scheme Meeting in Sydney relating to the separation of Domain from Fairfax. The meeting is being webcast at [www.fairfaxmedia.com.au/investors/webcasts](http://www.fairfaxmedia.com.au/investors/webcasts).

Accompanying commentary and the presentation from Fairfax Chairman Nick Falloon is set out below.

### **Fairfax Chairman, Nick Falloon:**

#### Slide 1

#### **Welcome**

Good morning Ladies and Gentlemen.

Thank you for joining me for the Scheme Meeting relating to the separation of Domain from Fairfax (**Separation**).

I am Nick Falloon, Chairman of Fairfax.

#### **Business of meeting**

Today we are here to vote on the scheme of arrangement relating to the proposed Separation of Domain from Fairfax.

The purpose of this Scheme Meeting is to seek the agreement of shareholders to the Separation. I am advised that a quorum is present and I therefore declare the Scheme Meeting open.

Before I introduce your directors, I will outline the conduct of today’s meeting.

I remind everyone that this is a shareholders’ meeting and only shareholders, appointed proxies, corporate representatives and attorneys have the right to speak at the meeting. We have allowed visitors into the meeting as observers only.

As outlined in the Separation scheme booklet dated 22 September 2017 (**Scheme Booklet**), the resolution to be voted on by shareholders at today’s meeting will be decided by a poll.

I would now like to introduce the members of the Board of Directors and senior executives. Starting on my left – Todd Sampson, Mickie Rosen, Jack Cowin, Patrick Allaway, Gail Hambly our Group General Counsel and Company Secretary, Greg Hywood our Chief Executive Officer, David Housego our Chief Financial Officer, Linda Nicholls, James Millar and Sandra McPhee.

#### **Meeting agenda**

The agenda of today’s meeting is set out in the Notice of Meeting sent to you. I propose to take it as read.

## **Resolution proposed to be agreed to**

### Slide 2

As you are all aware, the purpose of this meeting is to consider and, if thought fit, to pass the resolution set out in the notice of meeting and appearing on the screen behind me and via the webcast.

The proposal has also been outlined in detail in the Scheme Booklet which was provided to shareholders in accordance with Court orders.

## **Rationale for the Separation**

Domain is a real estate media and technology services business, offering services across digital and print platforms.

The Fairfax Board considered a range of potential options, such as retaining the current operational structure, pursuing a full demerger, and selling directly in an initial public offering of Domain.

Under the Separation, Eligible Shareholders will receive one Domain Share for every 10 Fairfax Shares held, allowing Fairfax shareholders to own a direct interest in one of Australia's leading real estate media and technology services businesses. Fairfax will retain a 60% interest in Domain immediately post Separation. Fairfax shareholders will hold the remaining 40% of Domain Shares. Fairfax shareholders will also retain their existing Fairfax Shares, allowing you to continue to participate in the future of one of Australia and New Zealand's leading multi-platform media companies.

There is no new capital being raised as part of the Separation.

## **Recommendation**

After considering the advantages, disadvantages and risks of the Separation, the Fairfax Board has concluded the Separation is in the best interests of Fairfax shareholders and will, over time, deliver greater value to shareholders than the current structure.

Directors unanimously recommend that you vote in favour of the Separation.

Grant Samuel, the independent expert appointed by Fairfax to assess the merits of the separation, has concluded that the separation is in the best interests of Fairfax shareholders.

## **Requisite majorities**

There are two interdependent Fairfax shareholder approvals required to effect the Separation. They are:

- the Scheme Resolution at this Meeting, which requires the approval of a majority in number (more than 50%) of Fairfax shareholders present and voting at the Scheme Meeting (whether in person or by proxy), and at least 75% of the total number of votes cast on the Scheme Resolution by Fairfax shareholders present and voting at the Scheme Meeting; and

- the Capital Reduction to be proposed at the AGM must be approved by a simple majority (more than 50%) of votes cast by shareholders.

## **Status of Conditions Precedent**

Conditions precedent to the Scheme have been satisfied or are underway. Subject to approval of the Separation by shareholders today, the Second Court Hearing is scheduled for 6 November 2017.

## **Timetable for implementation**

Subject to approval of the Scheme and Capital Reduction Resolutions by shareholders, and if the Court approves the Scheme, Domain Shares are expected to trade on ASX from 16 November 2017, initially on a deferred settlement basis, with normal trading expected to commence on 23 November 2017.

## **Ends**

### **Contact:**

Brad Hatch  
Director of Communications  
+61 2 9282 2168  
[bhatch@fairfaxmedia.com.au](mailto:bhatch@fairfaxmedia.com.au)

*Scheme Meeting*

SEPARATION OF DOMAIN  
FROM FAIRFAX MEDIA

2 NOVEMBER 2017 AT 10:00AM



# SCHEME RESOLUTION

To consider and, if thought fit, to agree (with or without amendment) the following resolution:

“

That pursuant to, and in accordance with, section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Fairfax Media Limited and the holders of its fully paid ordinary shares as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Federal Court of Australia).

”

THE BOARD UNANIMOUSLY RECOMMENDS THAT  
SHAREHOLDERS VOTE **IN FAVOUR** OF THE SCHEME RESOLUTION