

Announcement: TME

17 December 2012

Fairfax completes sell-down of Trade Me stake

Following this morning's trading halt, Trade Me Group Limited ("Trade Me") has been advised that Fairfax Digital Holdings NZ Limited ("Fairfax") has successfully completed a sell-down of its 51 per cent holding of issued capital in Trade Me.

Fairfax appointed UBS New Zealand Limited to underwrite and manage the sale to a broad range of institutional investors at a price of A\$3.05 (NZ\$3.805) per share. This represents a discount of approximately 5 per cent on the closing share price of Trade Me on the ASX on 14 December 2012, prior to the trading halt. Settlement of the sale shares is expected to occur on 21 December 2012.

Fairfax will no longer be a shareholder in Trade Me.

Trade Me chairman David Kirk said shares had been placed with a broad range of institutions and that demand had been strong.

"The response shows Trade Me is well-regarded by the market and that investors are confident about the company's performance," he said. "The sell-down means there is a significant increase in the free float and liquidity of Trade Me shares, and ultimately that makes the company more investable."

Trade Me CEO Jon Macdonald said that "at an operational level it's business as usual for Trade Me" and that the sell-down would have no material impact on revenue or costs.

Greg Hywood has resigned from Trade Me's board to concentrate on his Fairfax duties. Gail Hambly and Sam Morgan, the other Fairfax nominated directors, offered to resign from the Board. After consideration, the existing independent directors have asked them to remain on the Board and they have agreed to do so. "Both Gail and Sam have a deep understanding of how Trade Me ticks, and it's great to retain their experience and knowledge," Mr Kirk said.

Shares in Trade Me are expected to resume trading tomorrow.

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