



REVISED INDICATIVE PROPOSAL RECEIVED FROM TPG CONSORTIUM

SYDNEY, 15 May 2017: Fairfax Media Limited (**Fairfax or Company**) (ASX:FXJ) on 14 May 2017 received a revised, indicative, preliminary and non-binding proposal from a consortium including TPG Group (**TPG**) and Ontario Teachers' Pension Plan Board (together with its affiliates, **OTTP**) (collectively, the **TPG Consortium**) to acquire 100% of the shares in Fairfax (on a fully diluted basis) at a price of \$1.20 per share (less the value of any dividends or other distributions declared, proposed or paid after 14 May 2017), with all consideration being in cash (**Revised Indicative Proposal**).

The Revised Indicative Proposal follows the Indicative Proposal of \$1.20 – \$1.25 per share, which was recently received from the TPG Consortium, as announced on 8 May 2017.

The Revised Indicative Proposal is subject to a number of conditions, including due diligence, shareholder approval at a Fairfax scheme meeting which would be required to implement the Revised Indicative Proposal, and obtaining requisite regulatory approvals, including approval from the Australian Foreign Investment Review Board (**FIRB**) and New Zealand Overseas Investment Office (**OIO**), and other conditions outlined below.

The Fairfax Board of Directors is reviewing the Revised Indicative Proposal. The Fairfax Board notes that there is no certainty that the Revised Indicative Proposal will result in an offer for Fairfax, what the terms of any offer would be, or whether there will be a recommendation by the Fairfax Board.

Fairfax shareholders do not need to take any action in response to the Revised Indicative Proposal and the Fairfax Board will update shareholders when it has been fully assessed.

Regardless of whether the Revised Indicative Proposal proceeds to an offer for Fairfax, the Fairfax Board believes that Fairfax has an announced strategy for the future that will deliver value for shareholders. Fairfax is continuing to progress the preparation for the announced potential separation of Domain Group.

Macquarie Capital and Herbert Smith Freehills are advising Fairfax.

– ENDS –

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OTHER CONDITIONS

- Final approval of each TPG Consortium member investment committees following satisfactory completion of a period of due diligence
- Required regulatory approvals, including approval from the Australian Foreign Investment Review Board and New Zealand Overseas Investment Office
- Unanimous recommendation of the Fairfax Board of the Revised Indicative Proposal, in the absence of a superior proposal and subject to an independent expert concluding that the Revised Indicative Proposal is in the best interests of shareholders
- Agreeing a Scheme Implementation Deed
- Agreement of mutual facilitation arrangements to govern the implementation of the Revised Indicative Proposal
- Deal protection mechanisms, including exclusivity arrangements, no-shop, no-talk, matching rights and break fee arrangements
- No distributions (dividend, distribution, return of capital or otherwise)
- Other terms, including no material adverse change (to Fairfax or financial markets), no material transactions or prescribed occurrences, requisite regulatory approvals and third party consents