



Date 1 August 2005
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Dear Sir/Madam

News Ltd intention to make takeover offer for realestate.com.au Ltd

We act for News Limited.

On behalf of News Limited, we attach an announcement of an intention to make a takeover offer for realestate.com.au Limited, for immediate release to the market.

Regards

Richard Kriedemann
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Attach

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Our Ref RXKS:ALWS:205472285

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MEDIA RELEASE

Takeover offer for realestate.com.au at \$2 per share

Monday August 1, 2005

News Limited (*News*) today announced its intention to make a takeover offer (the *Offer*) to acquire all of the shares of realestate.com.au Limited (*REA*) which News does not already own. News intends to offer \$2.00 cash per share. The Offer will permit shareholders to accept for all or part of their holdings.

News has acquired a further 3% of REA shares today from ninemsn Pty Limited at the Offer price, which takes holding in REA to 43.69%.

News expects to lodge and serve its bidder's statement later today. News expects that the Offer will be open for acceptance in approximately 2 weeks' time.

The Offer price represents a significant premium to the price of REA shares on the ASX up to 29 July 2005 (being the last trading day prior to announcement of the Offer):

- a **19% premium** to the last price at which REA shares traded on the ASX of \$1.68;
- a **26% premium** to the 1 month volume weighted average share price of \$1.59; and
- a **33% premium** to the 3 month volume weighted average share price of \$1.50.

News Limited chief executive officer, Mr John Hartigan, said: "We believe this offer represents fair value. It is a straightforward full cash offer with limited conditions, and no minimum acceptance condition. The Offer will provide REA shareholders with the opportunity to exit an illiquid investment at an attractive price, or to retain part of their investment if they wish."

The Offer will be subject to conditions relating to:

- approval under the Foreign Acquisitions and Takeovers Act;
- no material adverse change; and
- no prescribed occurrences.

These conditions are described further in Annexure A.

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Annexure A

Offer Conditions

The Offer will be subject to the following conditions.

(a) **FIRB**

One of the following occurs before the end of the Offer Period:

- (i) News receives a notice from the Treasurer of the Commonwealth of Australia (the *Treasurer*) or his agent to the effect that there is no objection to the acquisition of REA Shares by News (by any means permitted by the Corporations Act) under the Commonwealth Government's foreign investment policy, such notice being unconditional;
- (ii) the period provided under the Foreign Takeovers Act during which the Treasurer may make an order under section 18 or an interim order under section 22 of the Foreign Takeovers Act prohibiting the acquisition of REA Shares by News (by any means permitted by the Corporations Act) has elapsed, without such an order being made; or
- (iii) if an interim order prohibiting such acquisition is made, the subsequent period for making a final order prohibiting the acquisition of REA Shares by News has elapsed, without such final order being made.

(b) **No material adverse change**

Save as publicly announced to ASX prior to the Announcement Date, none of the following events has happened since 30 June 2004, and none of the following events happens or is disclosed between the Announcement Date and the end of the Offer period (other than as a result of the actions of News):

- (i) any change in the business, assets, liabilities, financial or trading position, profitability or prospects, the status or terms of arrangements entered into with REA or any of its subsidiaries or the status or terms of any approvals from any public authority which are applicable to REA or any of its subsidiaries, which has a material adverse effect on REA; or
- (ii) any event, action, proceeding, circumstance or change in circumstance which is reasonably likely to result in a material adverse effect of the kind mentioned in paragraph (i) above.

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(c) **No prescribed occurrences**

None of the occurrences specified in s652C of the Corporations Act happens either:

- (i) between the Announcement Date and the time News's bidder's statement is given to REA; or
- (ii) between the time News's bidder's statement is given to REA and the end of the Offer Period, other than the issue of REA shares as a result of exercise of options to subscribe for REA shares which are on issue as at the Announcement Date.

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