

## SHAREHOLDERS AND OPTIONHOLDERS ADVISED TO TAKE NO ACTION

We refer to the announcement on 2 August 2005 of News Limited's intention to make a takeover offer for all of the shares in realestate.com.au Ltd ("**Company**") which News Limited ("**News**") does not already own.

As previously announced, the Company has received the bidder's statement prepared by News for the information of the Company and its shareholders. The bidder's statement sets out the full terms and conditions of News' offer and will be sent to shareholders between 15 and 29 August 2005. In response, the Directors of the Company will prepare a target's statement, which will include an independent expert's report as to whether, in the expert's opinion, the News offer is fair and reasonable.

The Board has formed a sub-committee of the Board ("**Sub-committee**") who will be responsible for responding to the News offer and preparation of the target's statement. This Sub-committee comprises Mr John McGrath, the Company's Chairman, and Mr Sam White, Non-Executive Director.

The Sub-committee has appointed financial advisers (Grant Samuel) and legal advisers (Kemp Strang) and is in the process of appointing the independent expert to prepare the independent expert's report for inclusion in the Company's target's statement.

The Sub-committee is also in the process of appointing an investigating accountant to review and report on the Company's prospective financial information for inclusion in the Company's target statement. The Sub-committee believes this information **will be material** to the Company's shareholders decision whether to accept or reject the News offer.

The Sub-committee is, with its advisers, considering the News offer and the Company's shareholders and optionholders are advised to still **take no action** with respect to their shares and options pending further advice from the Sub-committee.