



Takeovers Code (Trade Me Group Limited) Exemption Notice 2011

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel gives the following notice (to which is appended a statement of reasons of the Takeovers Panel).

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Notice

- 1 Title**
This notice is the Takeovers Code (Trade Me Group Limited) Exemption Notice 2011.
- 2 Application**
This notice applies to acts or omissions occurring on or after 30 November 2011.
- 3 Expiry**
This notice expires on the close of 31 May 2012.
- 4 Interpretation**
 - (1) In this notice, unless the context otherwise requires,—
Act means the Takeovers Act 1993

agreement means the reorganisation agreement dated 9 November 2011 between Fairfax Digital and TMG (among others) relating to an acquisition of shares in Trade Me Limited and the Fairfax Digital allotment

Code means the Takeovers Code under the Act

control percentage means the percentage of voting rights in TMG that a person holds or controls

Fairfax Digital means Fairfax Digital Holdings NZ Limited

Fairfax Digital allotment means the allotment to Fairfax Digital of voting securities in accordance with the agreement

Fairfax party means any of the following companies:

- (a) Fairfax Media Limited, a company incorporated in Australia:
- (b) Fairfax Media Publications Pty Limited, a company incorporated in Australia:
- (c) John Fairfax Limited, a company incorporated in Australia:
- (d) Fairfax Corporation Pty. Limited, a company incorporated in Australia:
- (e) Fairfax New Zealand Holdings Limited

offer means the offer of voting securities to the public by TMG

prospectus means the combined prospectus and investment statement relating to the offer that was registered on 9 November 2011

TMG means Trade Me Group Limited

voting security means a voting security in TMG.

- (2) In this notice, a reference to a person increasing voting control is a reference to the person becoming the holder or controller of an increased percentage of the voting rights in TMG.
- (3) In this notice, a reference to an offer of securities to the public has the same meaning as in section 3 of the Securities Act 1978.
- (4) Any term or expression that is defined in the Act or the Code and used, but not defined, in this notice has the same meaning as in the Act or the Code.

5 Exemption from rule 6(1) of Code

Fairfax Digital and each Fairfax party are exempted from rule 6(1) of the Code in respect of any increase in their voting control as a result of the Fairfax Digital allotment.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the following conditions:

- (a) the Fairfax Digital allotment is made—
 - (i) within 5 working days after allotments are made to the public under the offer; and
 - (ii) in accordance with the agreement:
- (b) the offer and the allotments made to the public under the offer are made in accordance with the Securities Act 1978 and the Securities Regulations 2009:
- (c) the prospectus prominently states—
 - (i) the maximum number of voting securities that could be allotted to Fairfax Digital under the agreement; and
 - (ii) the potential maximum control percentage of Fairfax Digital and of each Fairfax party on the completion of the allotments of voting securities to the public under the offer; and
 - (iii) the potential maximum control percentage of Fairfax Digital and of each Fairfax party as a result of the Fairfax Digital allotment; and
 - (iv) the potential maximum aggregate of the control percentages of Fairfax Digital, each Fairfax party, and their associates on the completion of the allotments of voting securities to the public under the offer; and
 - (v) the potential maximum aggregate of the control percentages of Fairfax Digital, each Fairfax party, and their associates as a result of the Fairfax Digital allotment:
- (d) TMG is not a code company immediately before the allotments of voting securities to the public under the offer.

Dated at Auckland this 24th day of November 2011.

The Common Seal of the Takeovers Panel was affixed in the presence of:

[Seal]

D O Jones,
Chairperson.

Statement of reasons

This notice applies to acts or omissions occurring on or after 30 November 2011 and expires on 31 May 2012.

Trade Me Group Limited (**TMG**), a wholly owned subsidiary of Fairfax Media Limited (**Fairfax**), is making an initial public offer (**IPO**) of 34% of its shares. TMG intends to use the proceeds of the IPO as part of the consideration for the purchase of all of the shares in another of Fairfax's wholly owned subsidiaries, Trade Me Limited (**Trade Me**). TMG will also issue 66% of its shares (the **allotment**) to Fairfax Digital Holdings NZ Limited (**Fairfax Digital**), a wholly owned subsidiary of Fairfax, in accordance with an agreement between TMG and Fairfax Digital (among others) (the **agreement**) entered into before the IPO. This will result in TMG being owned 34% by public shareholders and 66% by Fairfax Digital, and Trade Me being a wholly owned subsidiary of TMG.

The Takeovers Panel (the **Panel**) has granted an exemption for Fairfax Digital and for certain other Fairfax group companies (the **Fairfax parties**) in respect of rule 6(1) of the Takeovers Code (the **Code**). The Fairfax parties are—

- Fairfax Media Limited:
- Fairfax Media Publications Pty Limited:
- John Fairfax Limited:

- Fairfax Corporation Pty. Limited:
- Fairfax New Zealand Holdings Limited.

The exemption relates to Fairfax Digital and the Fairfax parties becoming the holders or controllers of an increased percentage of the voting rights in TMG that would result from the allotment in accordance with the agreement and the IPO.

The exemption is subject to conditions that ensure that anyone who decides to invest in TMG will be able to take into account the maximum control percentage in TMG of Fairfax Digital and the Fairfax parties as a result of the allotment.

The Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemption because—

- any person choosing to subscribe for shares in TMG for the first time can be expected to take into account an allotment that is notified to them in the combined prospectus and investment statement registered in relation to the IPO; and
- if an offeree subscribes for TMG shares offered under the IPO on the basis of the information disclosed in the combined prospectus and investment statement that shows the potential maximum control percentage of the exempted persons, then the offeree can be taken to approve of the potential maximum control percentage to be held or controlled by the exempted persons; and
- the exemption facilitates an IPO by a company that will only become a code company as a consequence of the IPO. The conditions attached to the exemption ensure that the exemption applies only to an offer that is effectively a preliminary step to TMG becoming a code company.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 1 December 2011.

This notice is administered by the Takeovers Panel.
