

All,

The ACCC has today taken the decision to not oppose the joint venture proposed by Fairfax Media Limited and Metro Media Publishing Holdings Pty Ltd. The decision has been posted to the ACCC's public register:

<http://www.accc.gov.au/content/index.phtml/itemId/1054266/fromItemId/751046>.

The ACCC decision is a great outcome for both businesses, staff and clients, because it presents us with opportunities for growth and ensures a positive, customer-focused future for our FCN business. Fairfax and MMP are both committed to further development of the business model that includes providing real estate agents with the opportunity to participate in product development. Therefore, the merger will also mean that our clients are much more aligned to our future business.

Following the ACCC decision, we will proceed with defining our product strategy in conjunction with MMP in the next few weeks. We expect that the deal will be complete in July.

Antony Catalano will be CEO and Managing Director of the new entity, and Fairfax will hold a 50 per cent voting and economic interest, including four seats on the board, thereby having direct input in how the company is run. The joint venture is particularly positive because, for the first time, it will have a board and management whose complete focus is local media with a strong belief in the value of local media within local communities.

We have spoken to Antony and he is excited, stating that the merger was a great outcome for the Victorian media landscape and would provide a new level of energy and competition to the marketplace. "The merger will position the new entity as a significant media player in the Victorian market," he said.

"The scale of the merged businesses will provide us with the opportunity to grow into new markets and to develop new products to better suit readers and advertiser needs.

"On a personal level, I am thrilled to reconnect with the enormous talent pool that exists within Fairfax. I spent 18 years working for Fairfax and have great regard for its people and its brands. I am looking forward to the many talented Fairfax Community Network and Metro Media Publishing staff coming together and continuing to grow our business."

We know you will have many questions in relation to how the joint venture affects you. While there is still a lot of detail to be worked through over the next few weeks, we look forward to answering as many of your questions at the staff briefings you have been invited to attend tomorrow afternoon and Friday morning at Media House and then Friday at the Dandenong and Airport West offices.

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