



FAIRFAX DIGITAL ADDS INVESTSMART IN STRATEGIC EXPANSION OF ONLINE MANAGED FUNDS BUSINESS

Merger with Direct Access creates independent online managed funds business of over \$1 billion

SYDNEY: 10 September 2007 - Fairfax Media Limited [ASX:FXJ] today announced that it has acquired the leading online non-advisory managed funds business, InvestSMART (www.investsmart.com.au). This will be merged with Direct Access (www.directaccess.com.au), Fairfax Digital's distributor of personal investment products, under the InvestSMART brand.

The merged InvestSMART business will be a wealth management business representing over \$1 billion in funds under management.

Fairfax Media acquired InvestSMART for \$12 million, with an earnout multiple over three years based on future earnings growth.

InvestSMART enables Australians to research and purchase from a selection of over 4,000 managed funds offered by leading Australian fund managers. Instead of purchasing managed funds from financial planners, InvestSMART allows customers to purchase funds with zero entry fees.

InvestSMART also compares funds on a range of criteria such as fund performance, fund size, Morningstar and Standard & Poor's ratings, and provides customers with extensive online research and analysis tools. Direct Access is a similar business operating within the same sector.

The merger extends Fairfax Digital's position in business and finance news, information and research.

"The merger of InvestSMART and Direct Access comes at a time when non-advisory wealth management and online transactional sectors are experiencing strong local demand," said Jack Matthews, CEO of Fairfax Digital.

"Direct Access and InvestSMART have highly complementary audiences, but little customer duplication, meaning the combined entity will be a leading provider of access to investment products with no ownership ties to any financial institution."

David Kirk, CEO of Fairfax Media said, "This small acquisition is a logical next step in creating a market leading position in the high growth online financial services market."

Fairfax Digital will retain InvestSMART co-founders, Ron Hodge and Nigel Poole as joint General Managers of the merged business. Mr. Hodge and Mr. Poole have extensive experience in the financial services sector and founded InvestSMART in 1999.

"We have grown InvestSMART into a competitive force in the online wealth management market and are proud to become part of Fairfax Digital today," Ron Hodge, co-founder and joint general manager of InvestSMART, said. "The increased scale of the merged business combined with InvestSMART's product innovation and the distribution strength of Direct Access and Fairfax Media allows us to make DIY investing more accessible and affordable to more Australians."

Customers of the merged business will benefit from InvestSMART product innovations such as TrailCap, which can improve investor returns. They will also benefit from an expanded range of fund choices and extensive research information on each fund.

InvestSMART will be cross-promoted across Fairfax's online network including smh.com.au, theage.com.au, brisbanetimes.com.au and businessday.com.au.

The online non-advisory wealth management sector is experiencing excellent growth. This growth is being supported by a legislative environment focused on creating incentive for Australians to be financially independent in retirement. Further aiding this growth is an asset-rich educated baby-boomer generation with the confidence to manage its wealth, and the rapid adoption of the internet by Australians for trading, banking, and online managed funds research and investment.

The merged business will commence operation in October 2007.

About Direct Access

Direct Access allows visitors access to invest in over 1,100 managed funds, superannuation, and retirement income products without paying entry or contribution fees (normally up to five per cent of the investment). Visitors can also monitor, compare, track or research over 9,000 funds for no cost as well as access investment specific news, an online portfolio service, market information. www.directaccess.com.au

About InvestSMART

Incorporated in August 1999, [InvestSMART Financial Services Pty Ltd](http://www.investsmart.com.au) was set up to operate and build a business aimed at providing Australian retail investors with low cost access to quality financial information and products. InvestSMART enables Australians to research and purchase from a selection of over 4,000 managed funds offered by leading Australian fund managers. Instead of purchasing managed funds from financial planners, InvestSMART allows customers to purchase funds with zero entry fees. InvestSMART also compares funds on a range of criteria such as fund performance, fund size, Morningstar and Standard & Poor's ratings, and provides customers with extensive online research and analysis tools. www.investsmart.com.au

About Fairfax Digital

Fairfax Digital is Australia's leading provider of online news and classifieds. Comprising around 30 interactive sites which reach over eight million visitors each month, Fairfax Digital provides incisive and constantly updated information on news, finance, business, IT, sport and entertainment - and features the online presence of some of Australia's most prominent media brands such as smh.com.au, theage.com.au, brisbanetimes.com.au and businessday.com.au. As part of one of the world's most respected news information organisations - Fairfax Media - Fairfax Digital draws on the news and information sources of the Fairfax network to deliver sites and services that are trusted and reliable.

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