

CEO's Quarterly Report for realestate.com.au – March 2003 Quarter

realestate.com.au Becomes Profitable

The March 2003 quarter saw **realestate.com.au** become profitable for the first time since listing in 1999. In addition the March quarter saw **realestate.com.au** deliver strong growth in operating cash flows, agents subscribing and visits to the sites.

According to Simon Baker, Chief Executive Officer of **realestate.com.au**, "We are very pleased with the continued strong growth of the business and in particular delivering our first period of profitability. The indications are positive for future profitability."

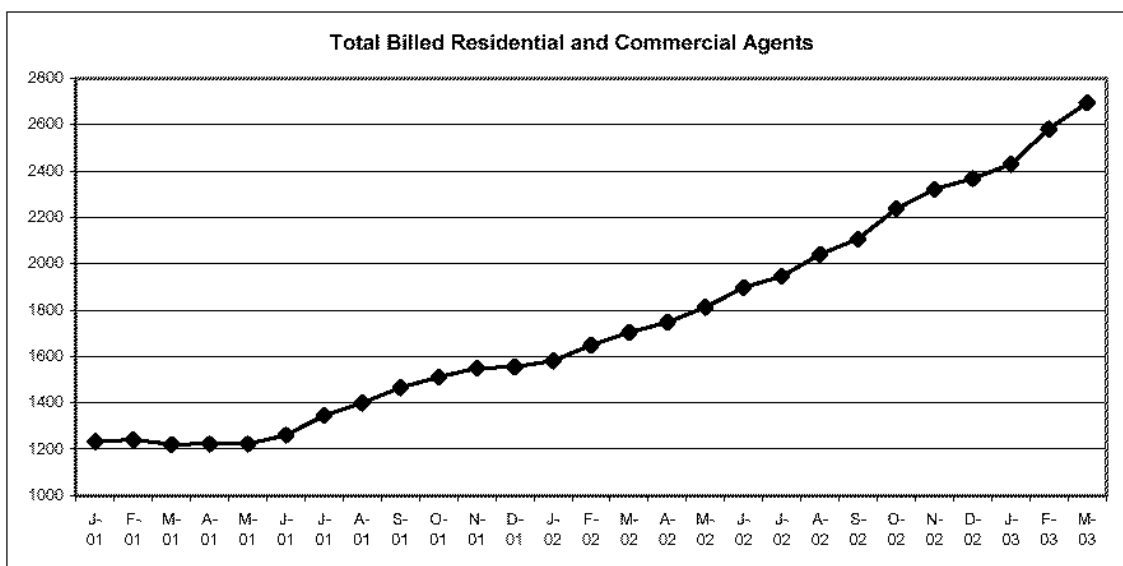
Strong Financial Performance

The financial highlights for the March 2003 quarter include:

- Became profitable in February and continued being profitable in March
- Operationally cash flow positive by \$239,800
- Cash at bank increased to \$1.65 million at the end of the quarter
- Revenue increased by 9.1% over the previous quarter

Strong Increase in Agents¹ Subscribing

Underlying **realestate.com.au's** strong financial performance has been a continued growth in agents advertising on the site. At the end of March 2003 there were 2,694 residential and commercial subscribing agents. During the quarter, 361 agents joined **realestate.com.au** and only 14 ceased to be subscribers. An estimated 34 percent of Australian agents now use **realestate.com.au** to advertise their vendors' properties and their brand to Australia's largest online real estate audience.



¹ Agents includes residential agents and commercial agents

An average of 55,000 new listings² each month was advertised on **realestate.com.au** during the quarter. This was an increase from 49,000 per month during the previous quarter.

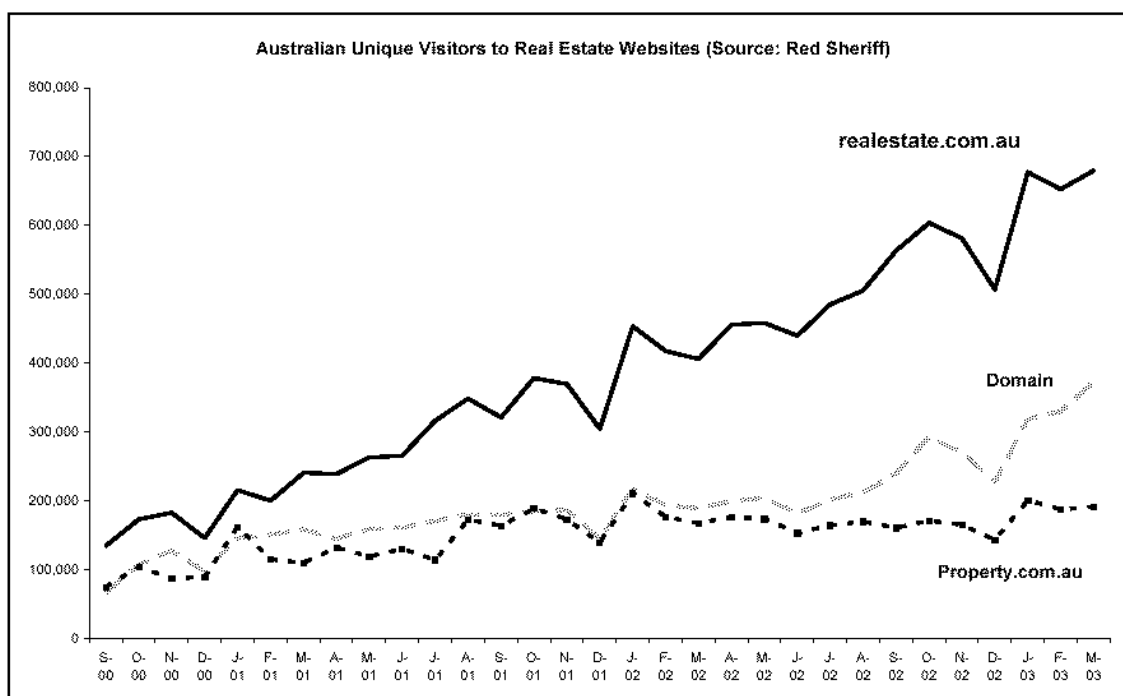
realcommercial.com.au, the sister site of **realestate.com.au** targeted at the commercial real estate market, has quickly established itself as the most visited commercial real estate site in Australia and is available to agents through an additional subscription service.

Continuing to be Australia's Most Visited Real Estate Site

According to Red Sheriff, Independent Internet Auditors, **realestate.com.au** continues to be the most visited real estate site in the country.

Important information for the quarter includes:

- Visitors (readership) to **realestate.com.au** grew by 19% over the December 2002 quarter
- March was the most visited month ever for **realestate.com.au** with an estimated 2.6 million visits including 300,000 visits from overseas
- **realestate.com.au** continues to stretch its lead over the other portal sites in Australia with more visitors than its major portal competitors combined³



Continued Advertising Relationship with News

At the end of February 2003, the advertising components of the original subscription agreement with News Limited expired. **realestate.com.au** is currently finalising negotiations for continued discount access to advertising and branding in key News

² New listings include residential homes, rentals, land, commercial, businesses for sale, rural

³ Red Sheriff, Independent Internet Auditors



Limited newspapers. This advertising spend will form part of the advertising budget for **realestate.com.au** and help drive continued growth into FY2004 and beyond.

For further information contact:

Simon Baker
Chief Executive Officer
Tel: 1300 134 174
sbaker@realestate.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

realestate.com.au

ABN

54 068 349 066

Quarter ended ("current quarter")

31 March 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (Nine months) \$A'000
1.1 Receipts from customers	2,489.3	6,779.0
1.2 Payments for		
(a) staff costs	(1,115.1)	(2,905.0)
(b) advertising and marketing	(248.1)	(749.9)
(c) research and development	-	-
(d) leased assets	(40.3)	(124.9)
(e) other working capital	(846.7)	(2,513.4)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11.5	37.1
1.5 Interest and other costs of finance paid	(10.8)	(29.4)
1.6 Income taxes paid	-	-
1.7 Other (Legal Settlement)	-	(123.3)
Net operating cash flows	239.8	370.2

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (Nine months) \$A'000
1.8 Net operating cash flows (carried forward)	239.8	370.2
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(8.1)	(113.0)
(e) other non-current assets	-	(39.6)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	342.4
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(8.1)	(189.8)
1.14 Total operating and investing cash flows	231.7	560.0
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	1,423.8	1,095.5
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,655.5	1,655.5

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	37.9
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil
1.26	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	1,550.0	750.0
3.2	Credit standby arrangements	N/A	N/A

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	655.5	423.8
4.2 Deposits at call	1000.0	1,000.0
4.3 Bank overdraft	N/A	N/A
4.4 Other (provide details)	N/A	N/A
Total: cash at end of quarter (item 1.22)	1,655.5	1,423.8

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies that comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:Original signed Date: 22 April 2003.....
 (Company secretary)

Print name:NJV Geddes.....

Notes

+ See chapter 19 for defined terms.

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.