realestate.com.au®

The Emergence of a Global Online Real Estate Advertising Player

FY 2006 Results Presentation

31 August 2006

The REA Group operates businesses across 3 countries

	Australia	New Zealand	United Kingdom
Residential Property Advertising	realestate.com.au	allrealestate.co.nz	propertyfinder.com London property news
Commercial Property Advertising	realcommercial.com.au Property Look.com.au Connecting business with property	Property Look.co.nz Connecting business with property	
Agent Office Solutions	HubOnline a realestate.com.au company realestate.com.au WEB SERVICES		
Home Loans	realestate.com.au HOME LOANS		

realestate.com.au expanded significantly in FY 2006

	June 2005	June 2006
Residential Property Advertising	realestate.com.au	realestate.com.au allrealestate.co.nz (launched 09/05) propertyfinder.com (acq. 11/05) London Property News (to be acq.)
Commercial Property Advertising	realcommercial.com.au	realcommercial.com.au propertylook.com.au (acq. 05/06) propertylook.co.nz (acq. 05/06)
Agent Office Solutions	Web Design Services	Hub Online (acq. 05/06) Web Design Services
Home Loans	realestate.com.au Home Loans	realestate.com.au Home Loans

Agenda

- **Overall FY 2006 performance**

- Residential Property Advertising
  - Australia
  - New Zealand
  - United Kingdom

- Commercial Property Advertising
  - Australia

- Agent Office Solutions

realestate.com.au Ltd increased all key financial metrics in FY 2006

FINANCIAL PERFORAMANCE OF REALESTATE.COM.AU LTD

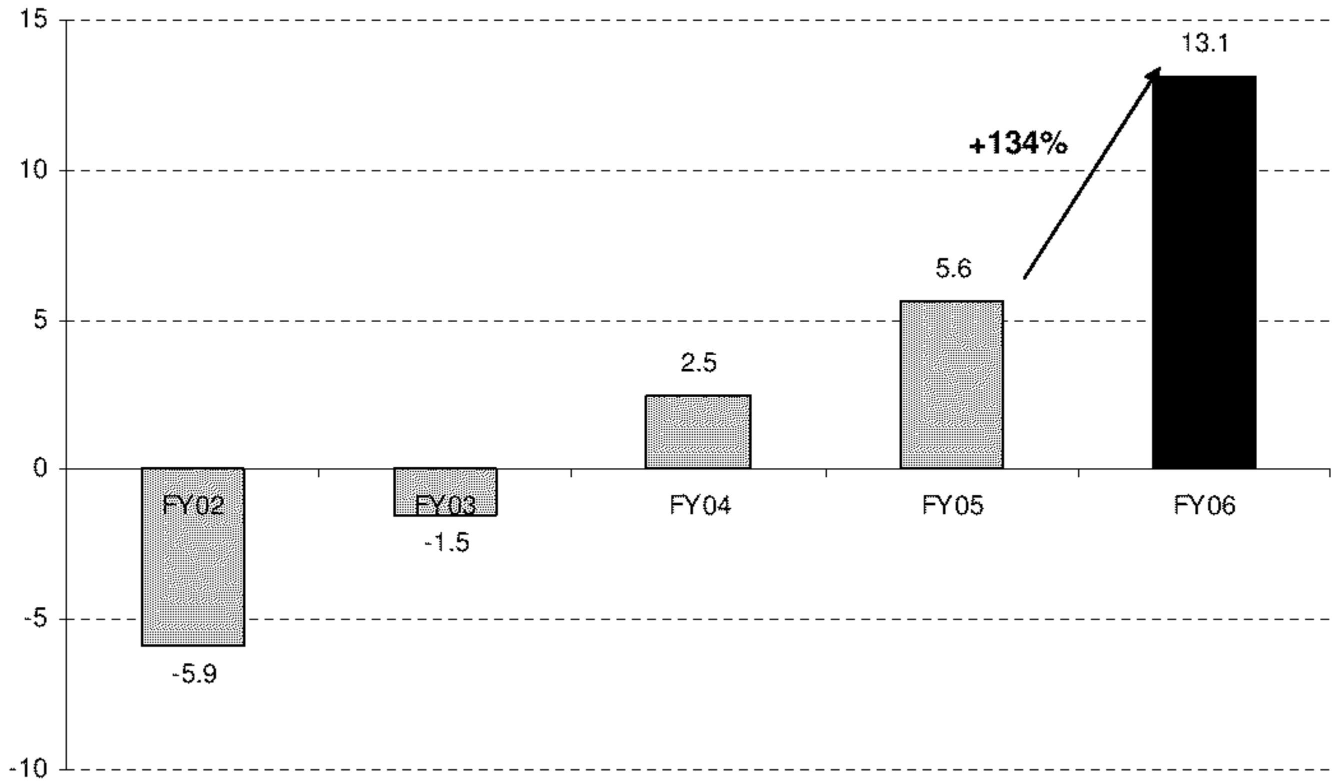
in $ 000's	FY02	FY03	FY04	FY05	FY06	Growth FY05-FY06
Revenue	**5,927**	**9,540**	**19,145**	**33,624**	**60,872**	**81%**
Operating Expenses	-6,734	-8,343	-16,278	-26,953	-45,440	69%
Depreciation & Amortisation	-5,098	-2,689	-369	-1,051	-2,297	119%
Gross Profit (excl. TOC)	**-5,905**	**-1,492**	**2,498**	**5,620**	**13,134**	**134%**
Gross Profit Margin	*-100%*	*-16%*	*13%*	*17%*	*22%*	
Takeover Defense Costs	0	0	0	0	-1,607	
Finance Costs	-56	-47	-21	0	-943	
Earnings Before Tax	**-5,961**	**-1,539**	**2,477**	**5,620**	**10,584**	**88%**
Margin	*-101%*	*-16%*	*13%*	*17%*	*17%*	
Tax Expense	0	0	0	2,472	-3,943	-259%
Minority Interest	0	0	0	0	1,581	
Net Income	**-5,961**	**-1,539**	**2,477**	**8,092**	**8,222**	**2%**
EBITDA (excl. TOC)	**-850**	**1,140**	**2,723**	**6,465**	**14,952**	**131%**
Operating Cash Flow	**-165**	**1,033**	**4,513**	**6,780**	**10,764**	**59%**
Cash closing position	**1,093**	**2,191**	**2,581**	**7,742**	**13,192**	**70%**

Note: Up to FY04 AGAAP, from FY05 AIFRS
TOC = Take Over Defence Costs

Gross profit increased by 134% to $13.1 million

REA GROUP GROSS PROFIT

Australian $m

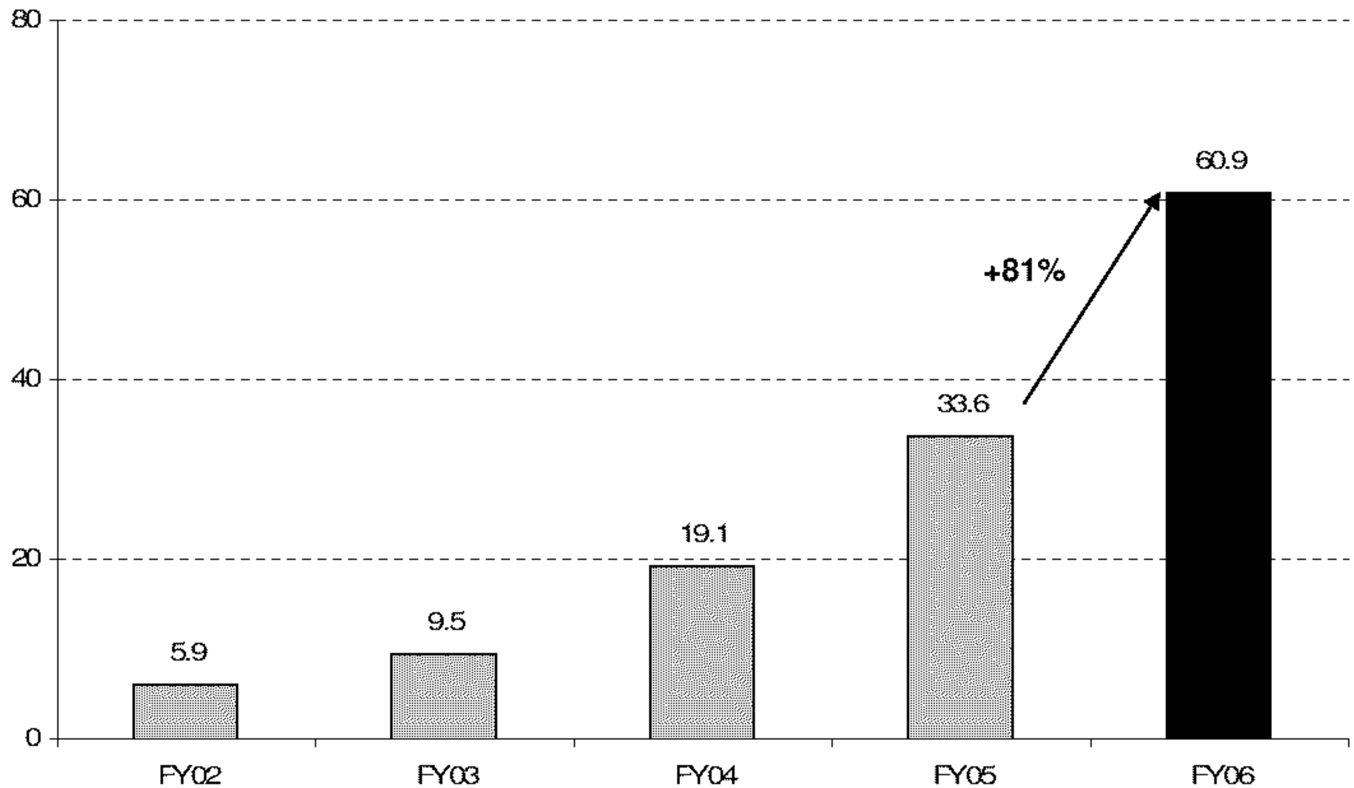


Note: Excludes takeover defence costs of $1.6m for FY06
Up to FY04 AGAAP, from FY05 AIFRS

Revenues increased by 81% to $60.9 million

REA GROUP REVENUES

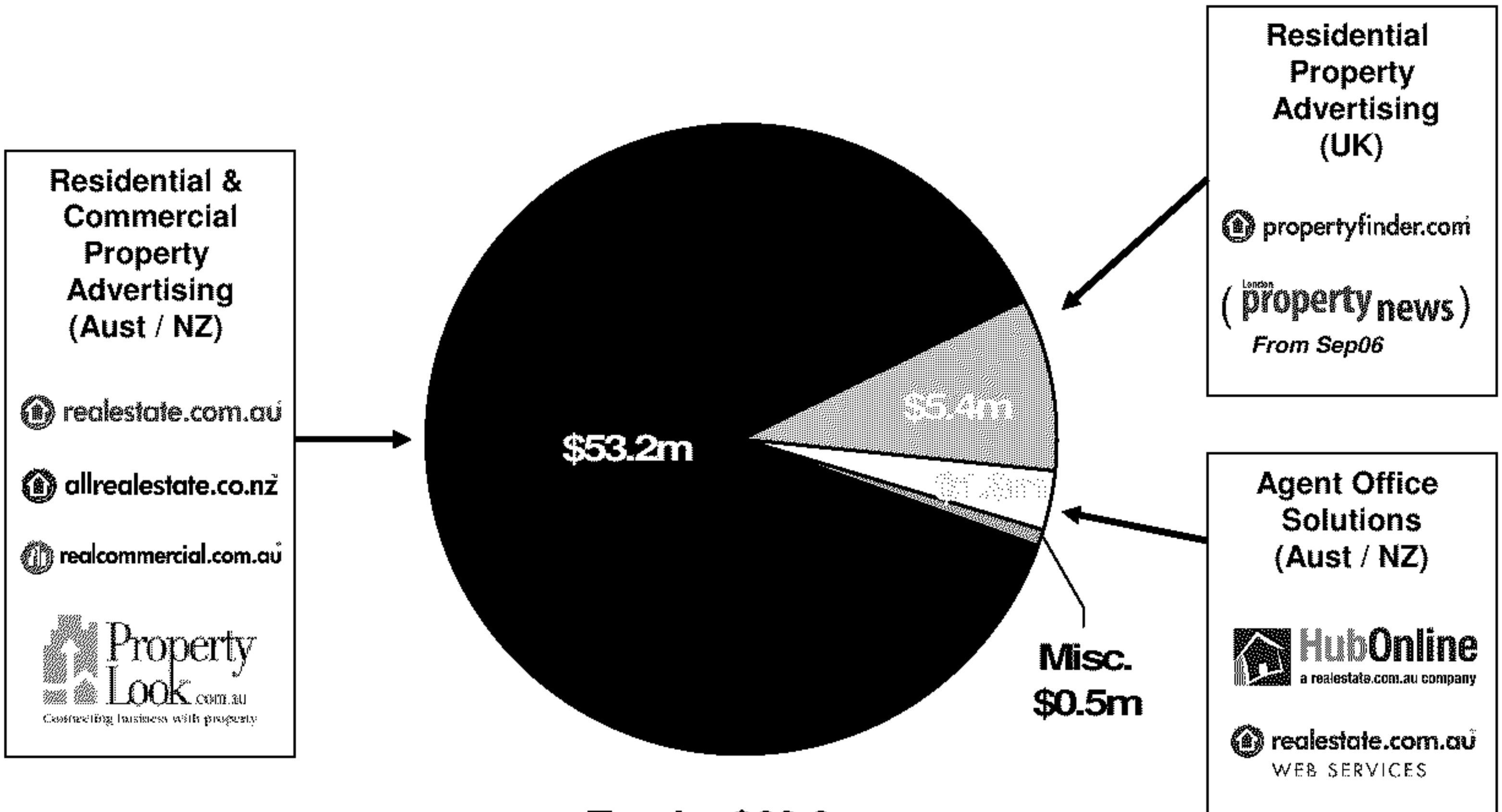
Australian $m



Note: Up to FY04 AGAAP, from FY05 AIFRS

The A/NZ property advertising businesses delivered 87% of revenues

REVENUE SPLIT BY BUSINESS



Total = $60.9m

Note: Agent Advertising United Kingdom started in Nov05
Agent Solution includes HubOnline since May06

The REA Group increased paying agents by 67% through organic growth and acquisition

PAYING RESIDENTIAL AND COMMERCIAL AGENTS USING REA GROUP SITES

Country	Site	June 2005	June 2006
Australia	realestate.com.au realcommercial.com.au propertylook.com.au	6,414	7,601
NZ	allrealestate.co.nz propertylook.co.nz	n/a	205
UK	propertyfinder.com	n/a	2,786
All Other	International section	n/a	121
Total Paying		**6,414**	**10,713**

Increased to 11,022 paying agents as at end July 2006

Source: The REA Group

There are almost 700,000 listings across the REA Group sites

LISTINGS ON REA GROUP SITES AS AT JULY 2006

Country	Site	Listings
Australia	realestate.com.au	363,743
	realcommercial.com.au	49,766
	propertylook.com.au	5,802
NZ	allrealestate.co.nz	29,149
	propertylook.co.nz	914
UK	propertyfinder.com	196,093
All Other	International sections	48,980
Total		**694,447**

Source: The REA Group

FY 2006 saw significant growth in unique visitors through both organic growth and acquisition

TOTAL UNIQUE VISITORS TO REA GROUP SITES

Country	Site	Total Visitors *(Jun 05)*	Total Visitors *(Jun 06)*	Growth %
Australia	realestate.com.au	1,736,910	2,810,509	62%
	realcommercial.com.au	85,377	139,117	63%
	propertylook.com.au		63,057	
United Kingdom	propertyfinder.com		1,794,470	
New Zealand	allrealestate.co.nz		162,984	
	propertylook.co.nz		6,429	
Total		**1,822,287**	**4,976,566**	**173%**

Source: Nielsen//NetRatings, Omniture

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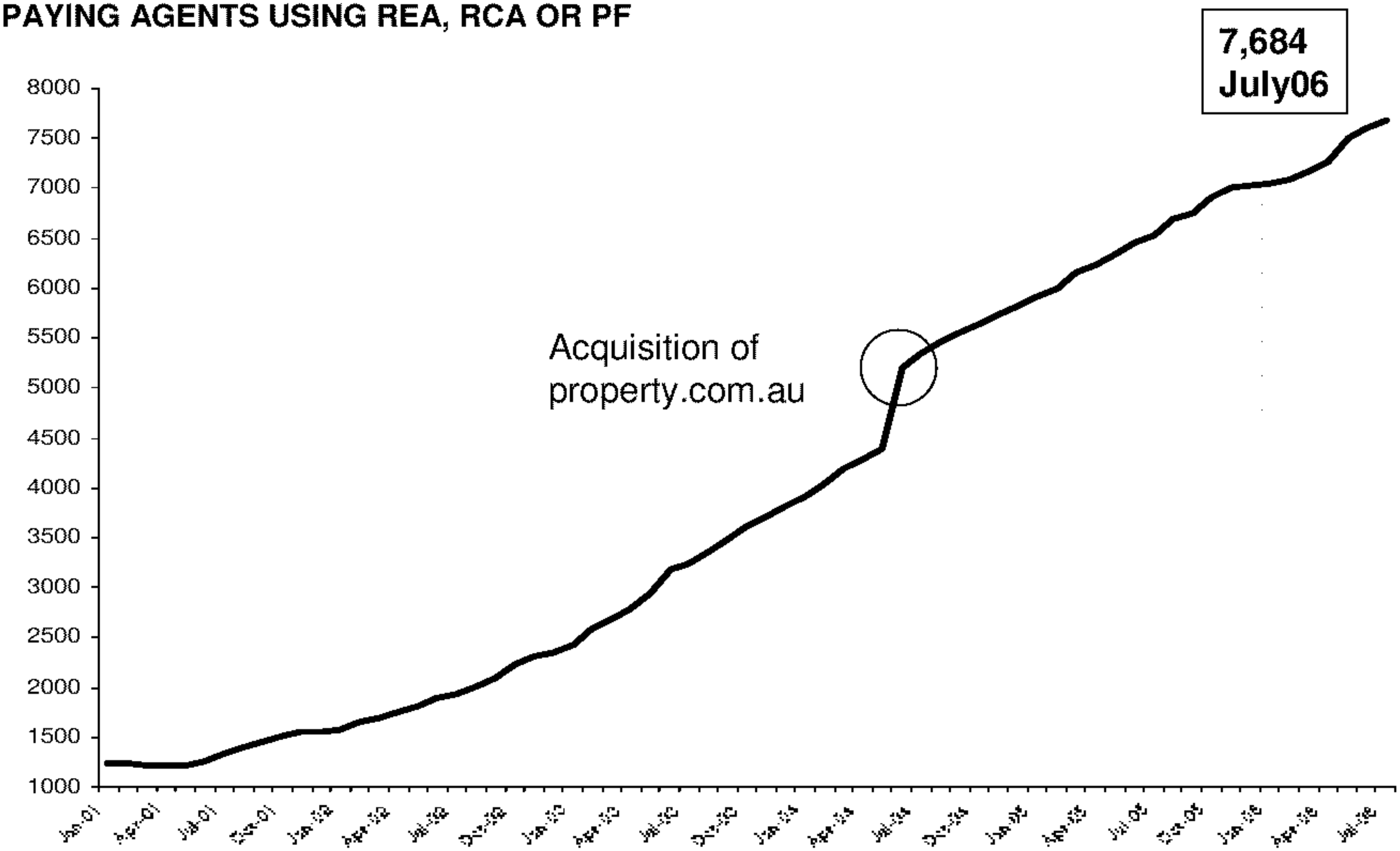
Australia – realestate.com.au

The clear leader in residential online advertising in Australia

There has been consistent year on year growth in paying agents

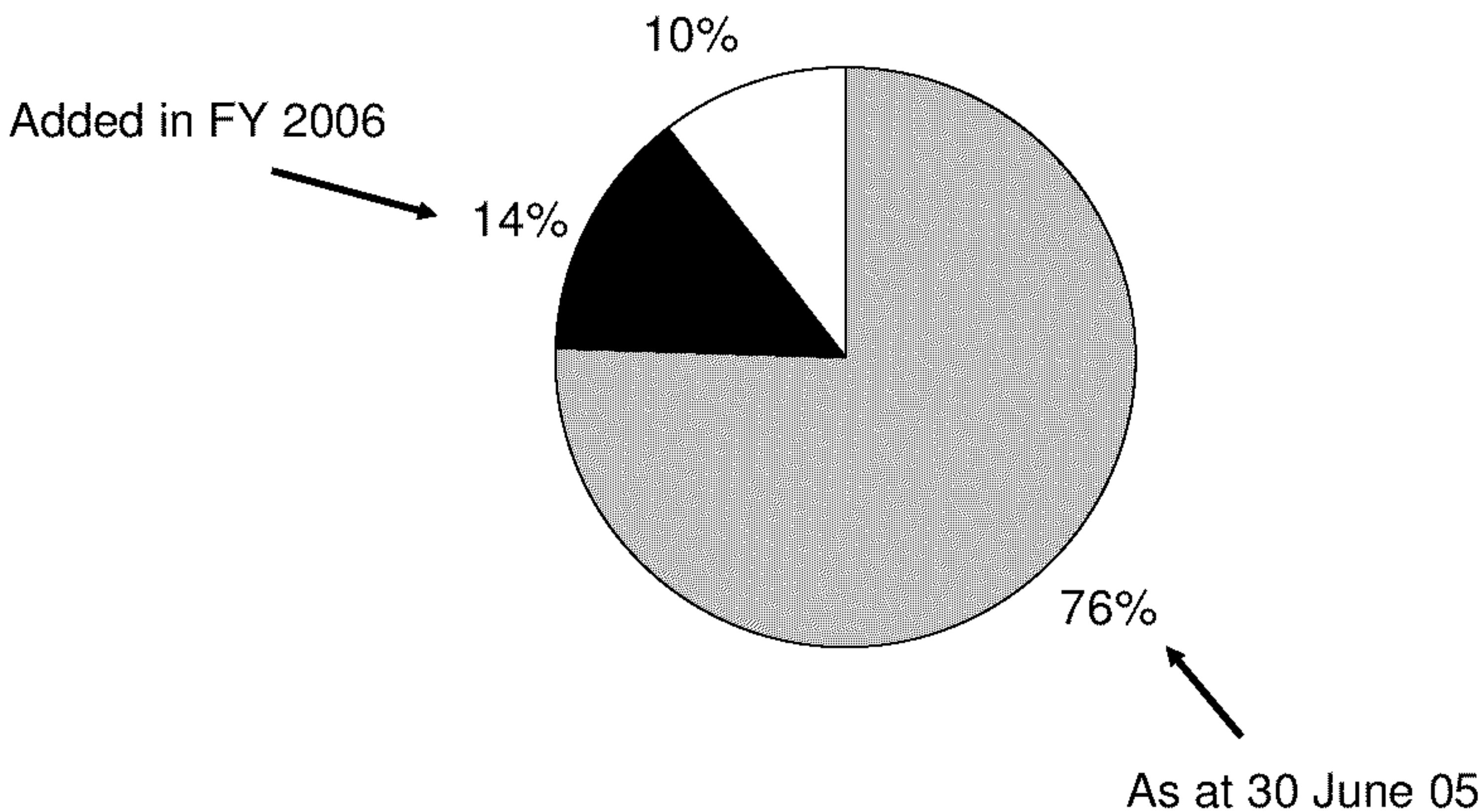
PAYING AGENTS USING REA, RCA OR PF



Source: The REA Group

An estimated 90% of Australia's 8,500 agents use REA, RCA and/or PL

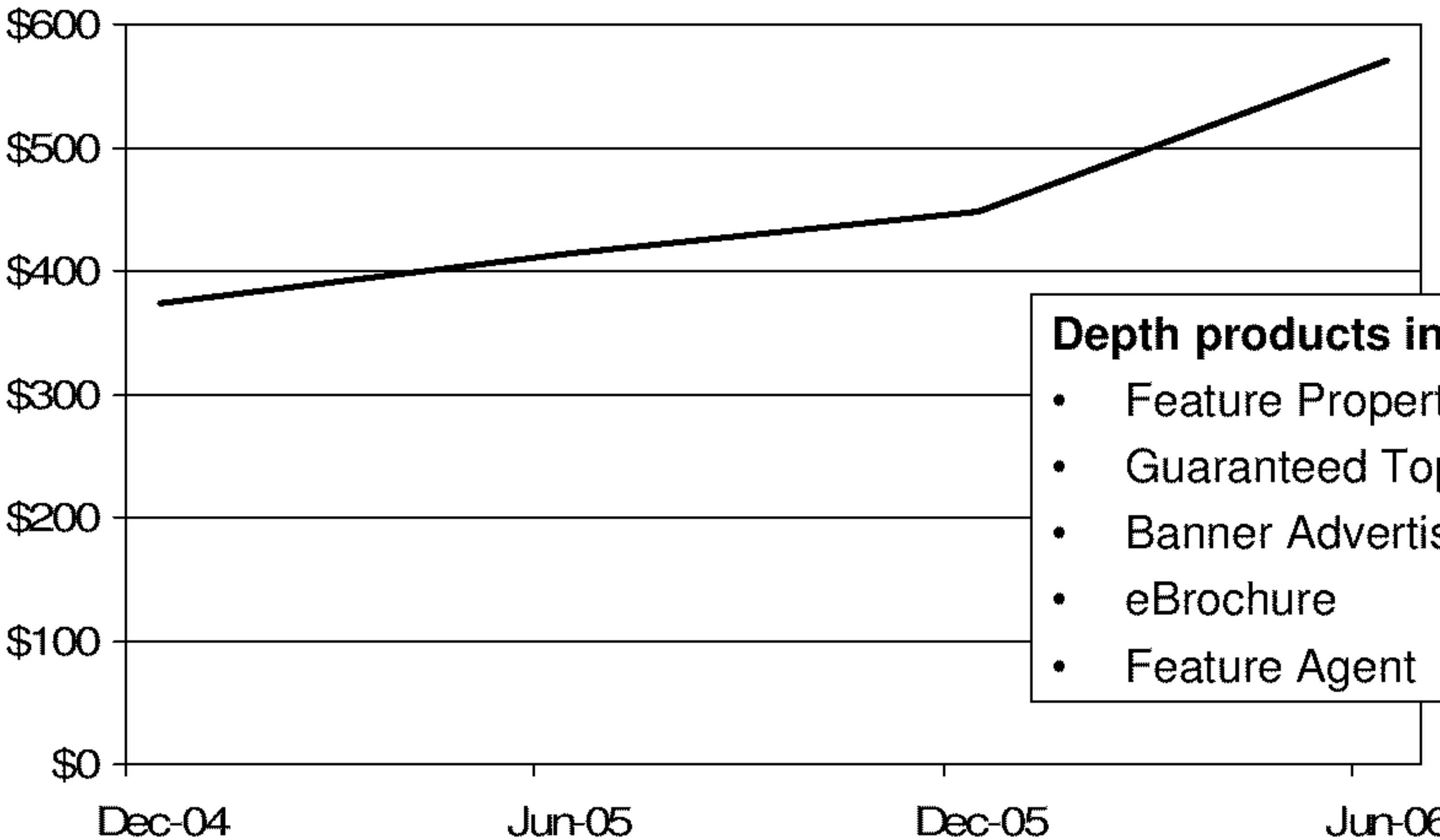
MARKET SHARE OF AUSTRALIAN REAL ESTATE AGENTS ESTIMATED



Note: REA = realestate.com.au, RCA = realcommercial.com.au, PL = propertylook.com.au

The average revenue per agent continues to increase driven by a combination of price increase and purchase of additional products

AVERAGE REVENUE PER AUSTRALIAN AGENT



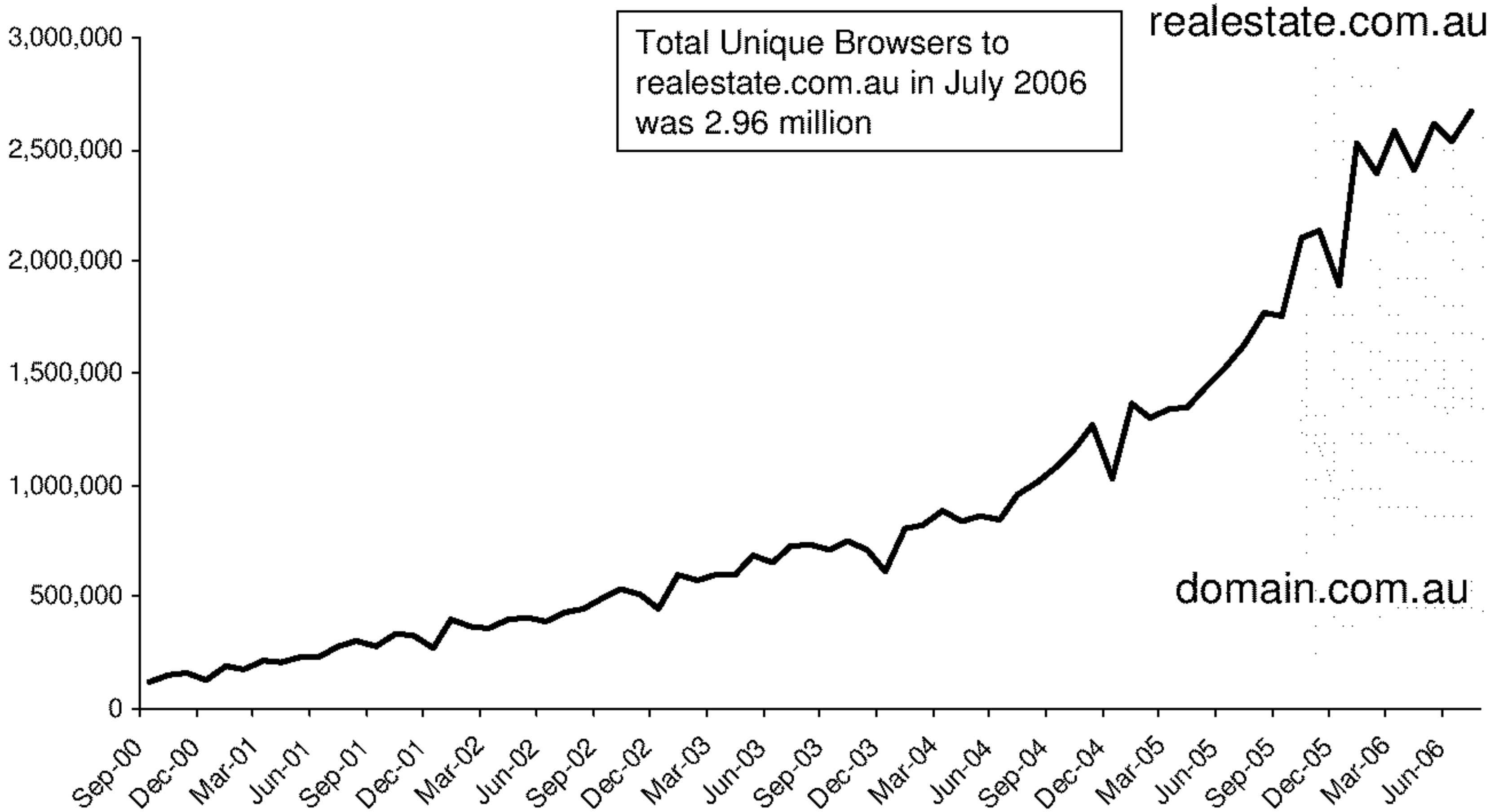
Depth products include

- Feature Properties
- Guaranteed Top Spot
- Banner Advertising
- eBrochure
- Feature Agent

Source: The REA Group

Unique browsers to realestate.com.au continue to grow

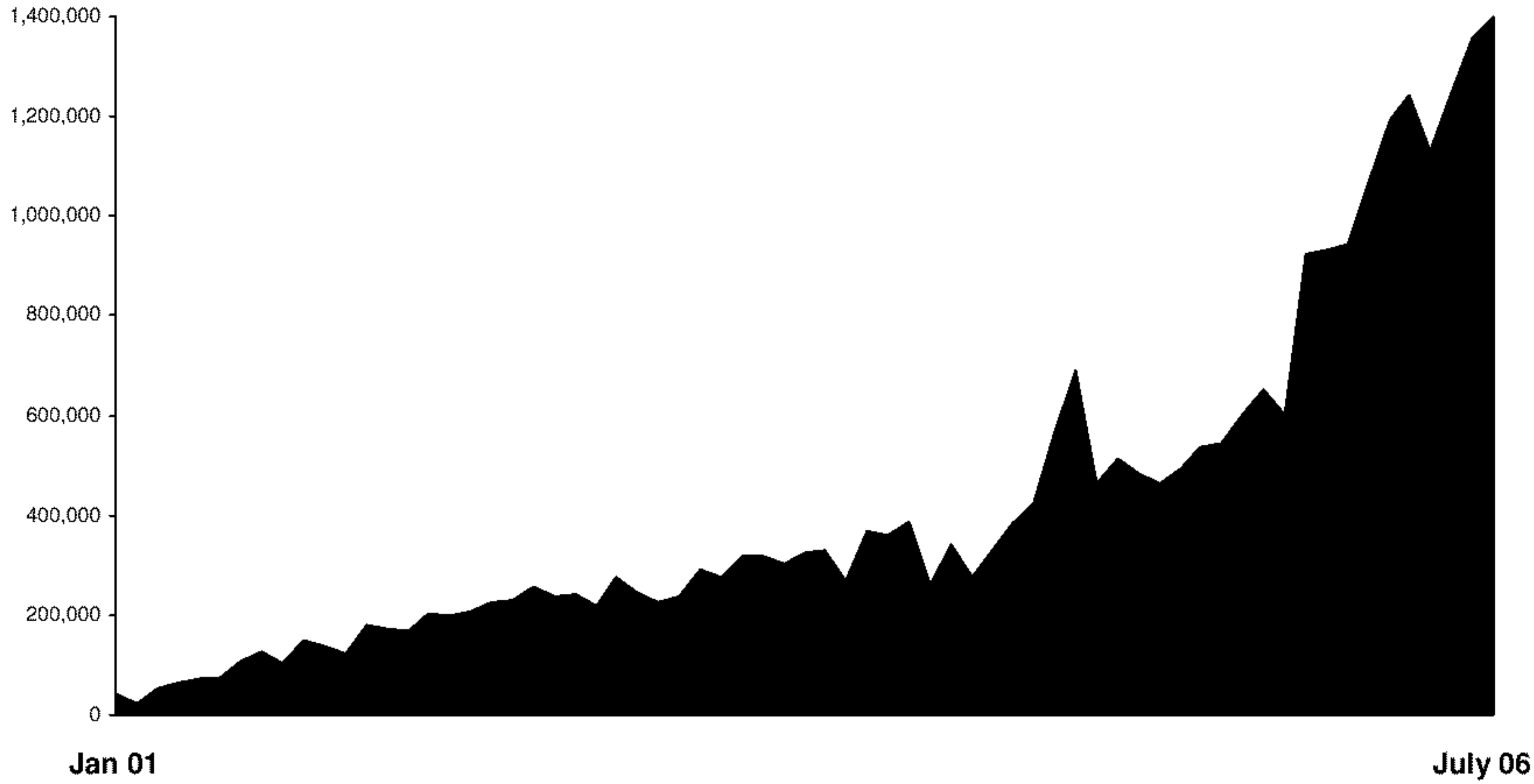
AUSTRALIAN UNIQUE BROWSERS TO TOP 2 AUSTRLALIAN PROPERTY SITES



Source: Nielsen//NetRatings

The gap between realestate.com.au and domain.com.au continues to grow

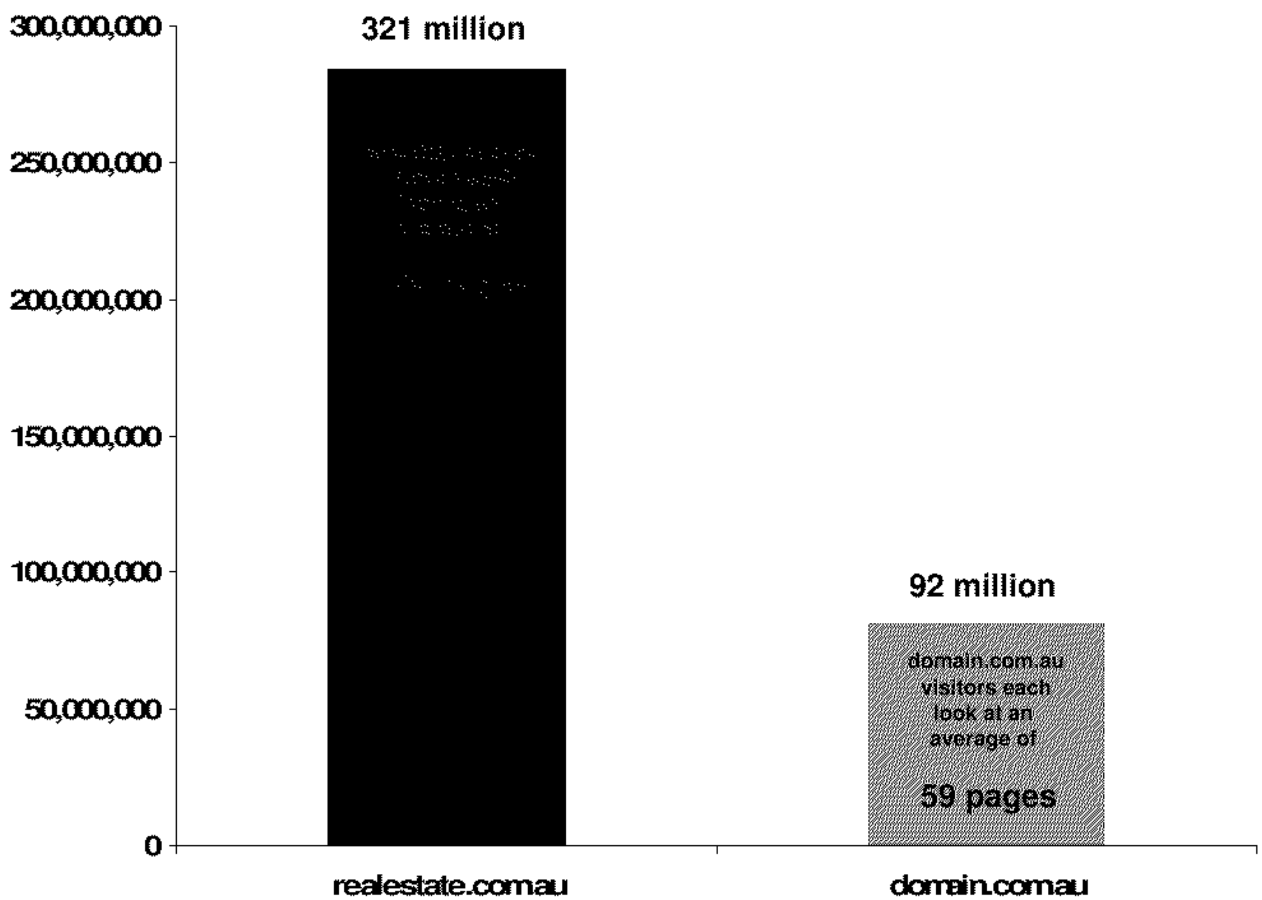
GAP IN UNIQUE VISITORS BETWEEN REALESTATE.COM.AU AND DOMAIN.COM.AU



Source: Nielsen//NetRatings

Visitors to realestate.com.au look at nearly double the pages of information compared to visitors to domain.com.au

COMPARISON OF PAGE IMPRESSIONS TO TOP 2 PROPERTY SITES



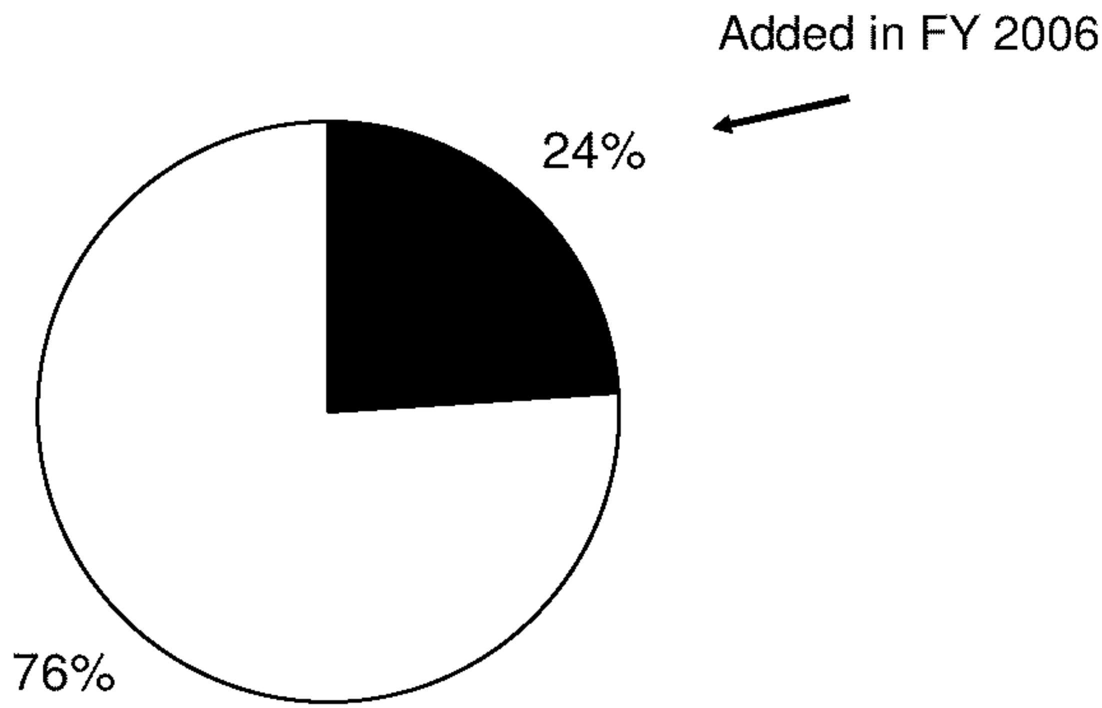
Source: Nielsen//NetRatings

New Zealand – allrealestate.co.nz

From launch to #2 in 9 months

Estimated 24% of New Zealand's 1,500 agents use allrealestate.co.nz

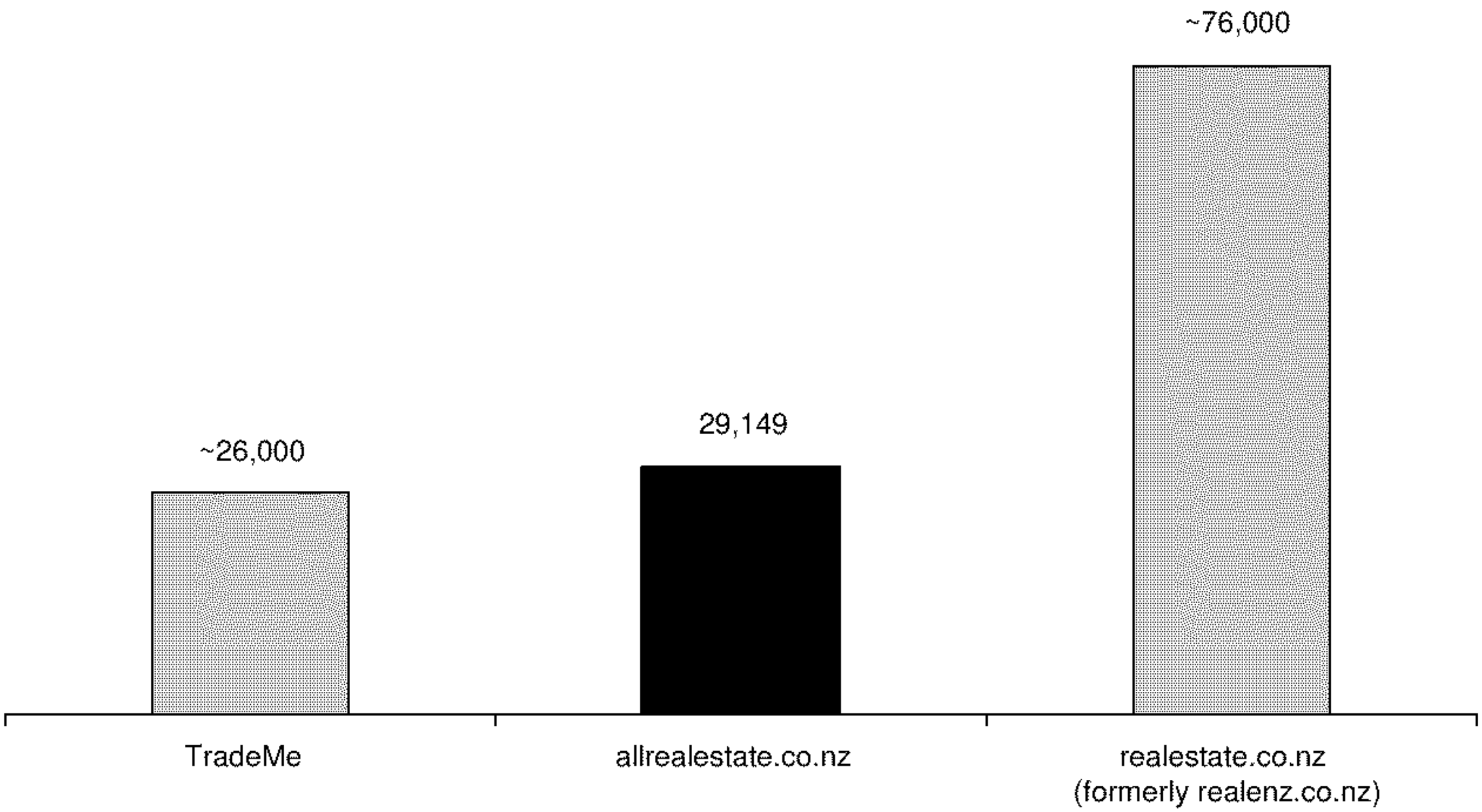
MARKET SHARE OF NEW ZEALAND REAL ESTATE AGENTS ESTIMATED



Source: The REA Group

On a comparative basis, allrealestate.com.au has the second largest database of listings

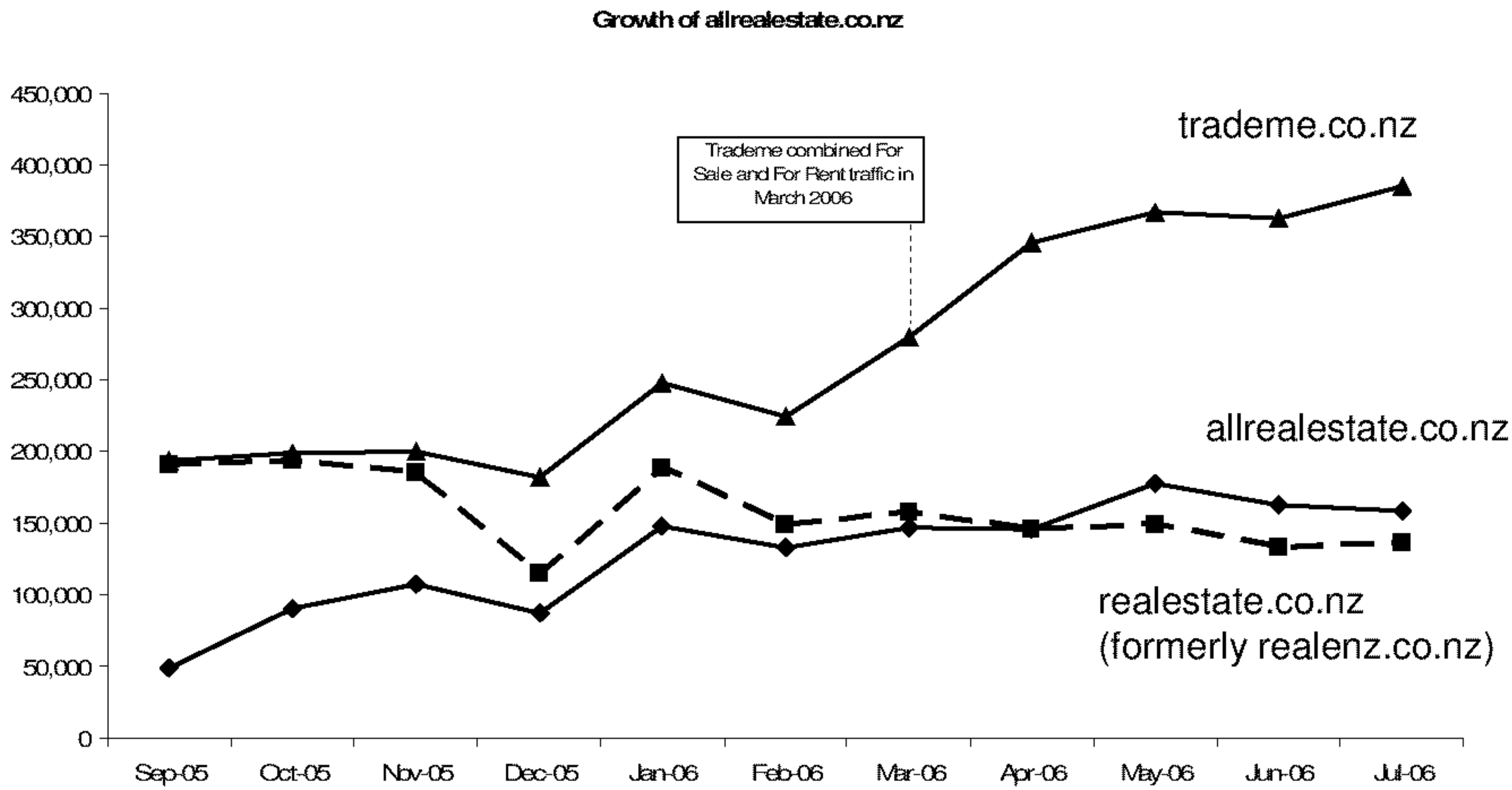
LISTINGS ON TOP 3 PROPERTY PORTALS IN NEW ZEALAND AS AT JULY 2006



Sources: TradeMe and realestate.co.nz (Sunday Star Times, 20 Aug 06), allrealestate.co.nz (REA internal)

In 9 months, allrealestate.co.nz has moved into second place but still has fair way to go to close gap with market leader trademe.co.nz

TOTAL UNIQUE BROWSERS TO NEW ZEALAND SITES



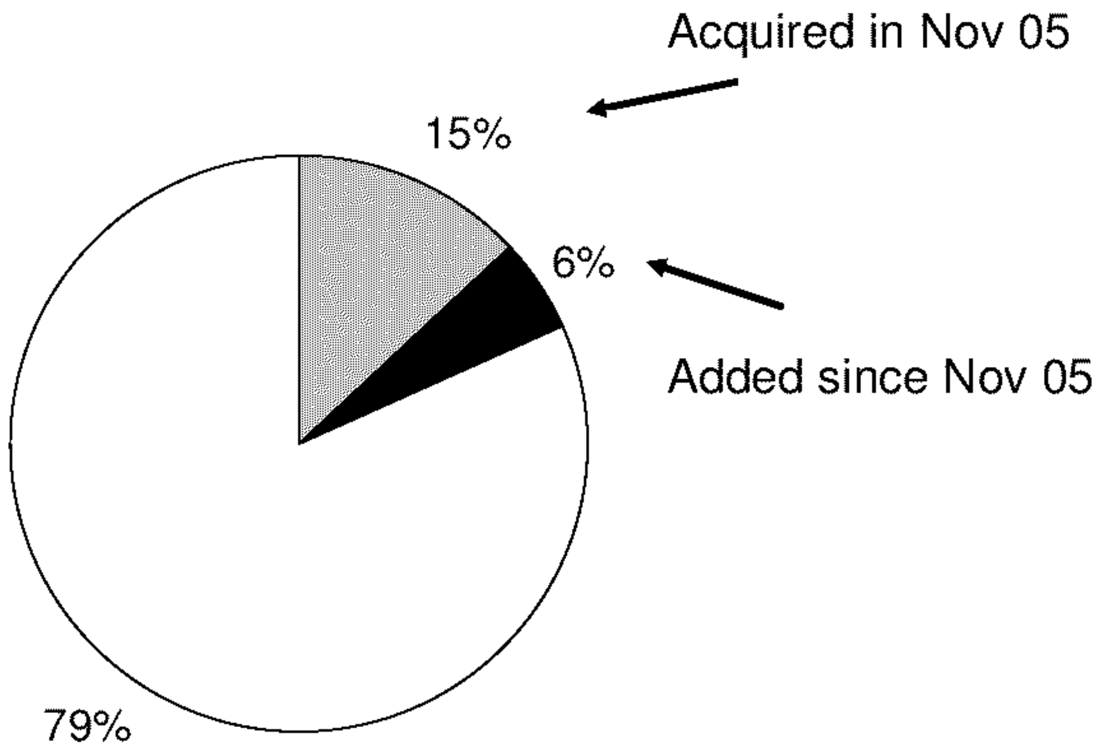
Source: Nielsen//NetRatings

United Kingdom – propertyfinder.com & London Property News

Great progress in first 8 months of operation

Estimated 21% of the UK's 13,500 agents use propertyfinder.com – a growth of 6 percentage points in 8 months

MARKET SHARE OF UNITED KINGDOM REAL ESTATE AGENTS ESTIMATED



Source: The REA Group

There has been a strong growth in agents using propertyfinder.com

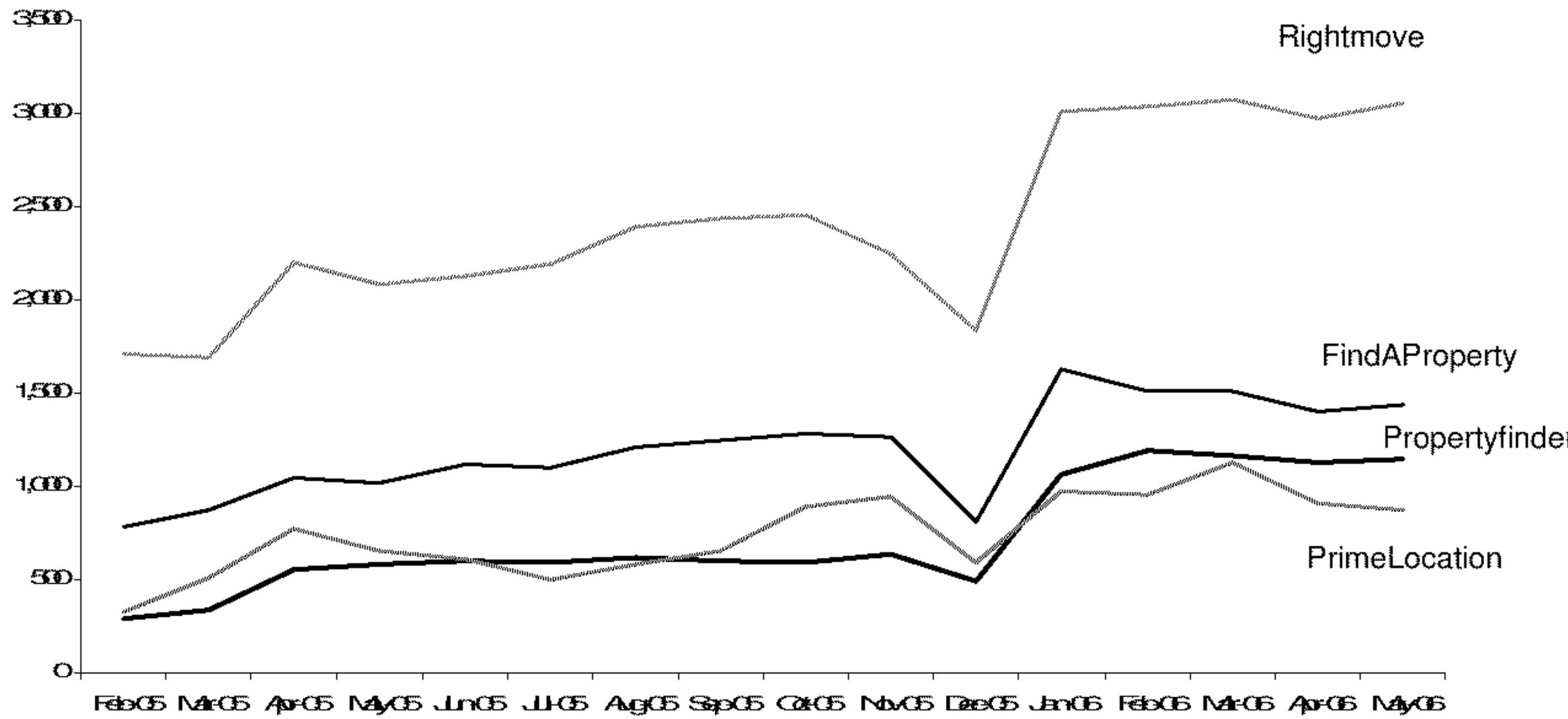
AGENTS USING PROPERTYFINDER.COM

	October 2005	June 2006	Growth
Residential Agents	1,976	2,786	41%
Developers	13	14	8%
International Agents	53	121	128%
Total	**2,042**	**2,921**	**43%**

Source: The REA Group

Propertyfinder is increasing traffic to the site in the UK

UK UNIQUE VISITORS TO TOP 4 UK PROPERTY SITES – EXCLUDES INTERNATIONAL VISITORS



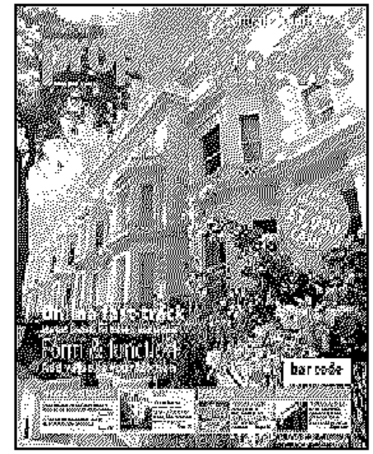
Note: June numbers being verified

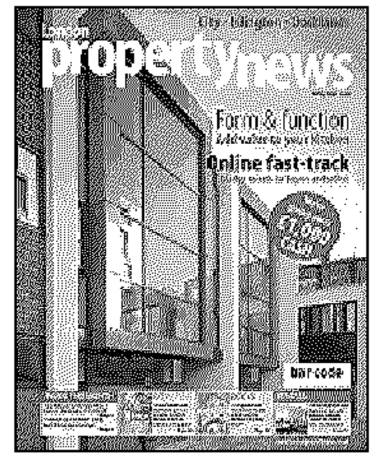
Source: ComScore

The London Property News magazine group was purchased to enhance traffic to the propertyfinder.com site

LONDON PROPERTY NEW ACQUISTION

- A leading property magazine group in London
- 6 monthly titles
- 3 weekly titles
- ~430,000 circulation
- £3 million in annual revenues
- Break even business
- Will be used extensively to promote the propertyfinder.com business
- Cross selling opportunities will be explored





Completion is likely to occur in September 2006

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- Residential Property Advertising
  - Australia
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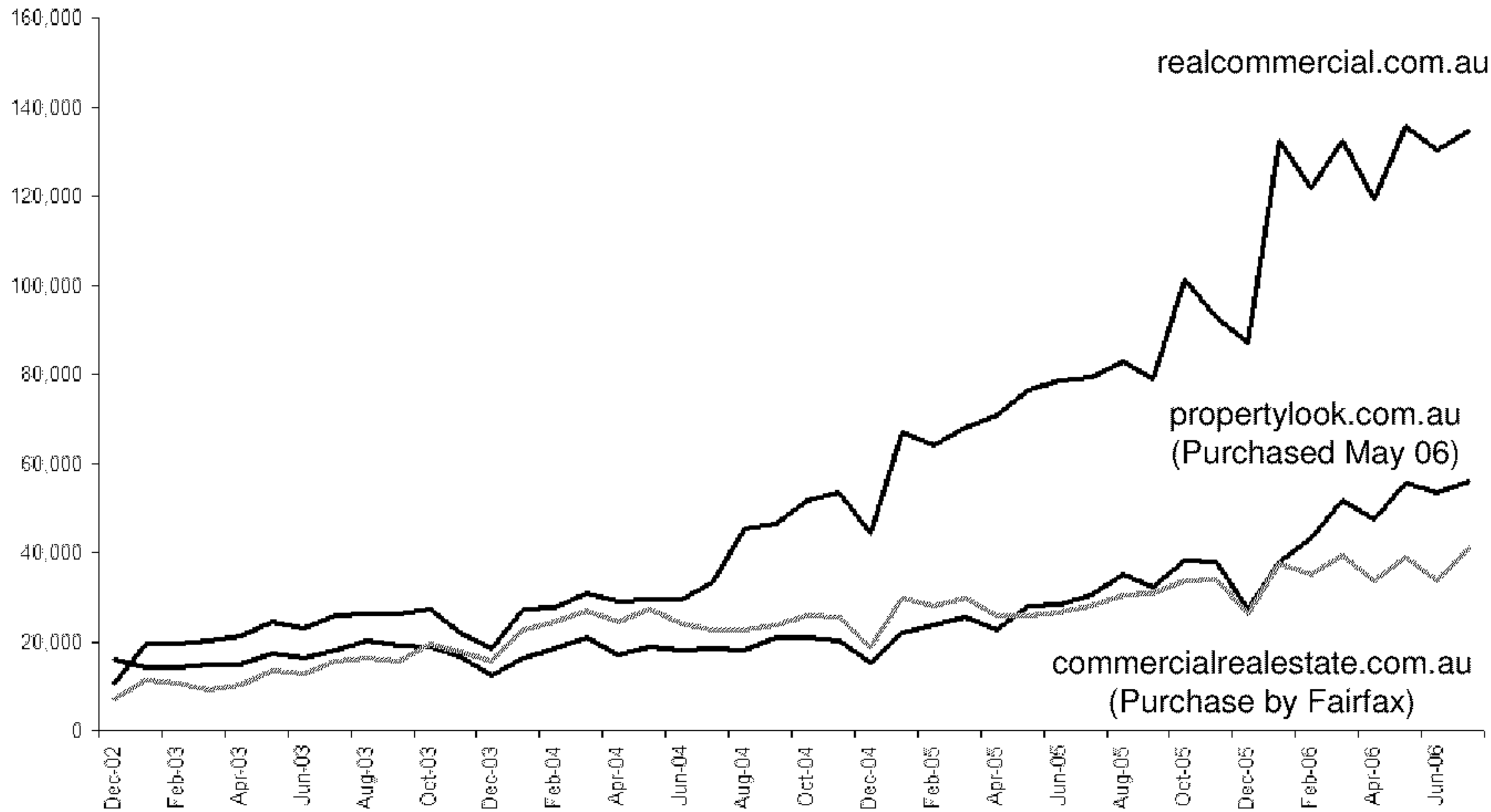
  - United Kingdom
- **Commercial Property Advertising**
  - **Australia**
- Agent Office Solutions

realcommercial.com.au and propertylook.com.au are the top 2 commercial real estate sites

UNIQUE AUSTRALIAN BROWSERS TO COMMERCIAL REAL ESTATE SITES



Source: Nielsen//NetRatings

realcommercial.com.au and propertylook are being merged

MERGER OF REALCOMMERCIAL.COM.AU AND PROPERTYLOOK

realcommercial.com.au

- Commenced 12/02
- Market leader
- 700+ agents subscribing

Propertylook

- Acquired May 2006
- Was owned by "big 4" commercial agents
- 171 offices subscribing (138 unique)
- $1.7 million in revenues (FY 2006)
- Australia and New Zealand presence

→ realcommercial.com.au and propertylook are being merged to create an improved online offering

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- Commercial Property Advertising
  - Australia

- **Agent Office Solutions**

Hubonline and web design services are being merged to provide a complete end to end office solution for agents

MERGER OF HUBONLINE AND WEB DESIGN SERVICES

Hubonline

- Acquired May 2006
- Web based sales management software
- Market leader
- Primarily Australia with some NZ offices
- ~400 offices paying
- $1.5 million in revenues in FY 2006

Web Design Services

- Existing business unit
- Build agent websites
- Power 2,300 office sites in total
- 900+ paying offices
- Australia only at this point

→ End to end office based solutions for Australian and international real estate agents

Disclaimer

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