ASX Announcement
16 November 2011

ANNUAL GENERAL MEETING – 16 NOVEMBER 2011
Chairman's Address - Mr Richard Freudenstein

It is my pleasure to present an overview of the 2011 financial year - another record year for REA Group.

This year the Group achieved its goal of becoming a diversified media and advertising business, generating revenue growth across six areas, namely:

- Residential advertising
- Commercial advertising
- Developer advertising
- Media advertising
- Italy's market-leading casa.it site and,
- Our other international businesses

Over the past three years, the Group has invested $70 million in technology and innovation, the cornerstone of which is the next-generation technology platform successfully rolled out over FY10 and FY11.

In addition to this investment, we are pleased to report that our cash balance has increased from $8.9 million in June 2008 to $137.5 million in June 2011. In addition, the company has reported record revenue and EBITDA for six consecutive halves.

The delivery of innovative products and services to customers and consumers is key to REA Group's growth strategy. According to the latest figures from IAB Australia, the Australian online advertising market is on track to surpass $3 billion in 2012 and REA Group is well positioned to benefit from the market's continued growth.

Following the sale of realholidays.com.au in April this year, REA Group's multinational portfolio includes 13 property websites, with most ranked number one in their respective markets. In addition, the Group is now

Australia's fifth largest digital display advertiser by revenue[1] and realestate.com.au is the 12th most popular website in Australia[2] according to Nielsen Online Ratings.

In Australia, the Group achieved 20% revenue growth in FY11, despite a softening of the property market in the second half. REA Media, our display advertising business, grew 26% in FY11, leveraging our large Australian user base.

In Italy, our site, casa.it, continues to go from strength to strength, despite Italy's economic challenges. As we learnt in Australia during the GFC, difficult economic conditions can deliver gains for online.

Our operations in the Greater Luxembourg region continue to be profitable at an EBIT level. In Hong Kong, FY11 online revenues grew 74%, unique browsers grew 51%, and 37% of all unique browsers visited our Chinese language site.

REA Group's operational success in Australia, and in international markets, saw the Company deliver record results for the 2011 financial year. Financial highlights included: *[Slide 1: Key financials]*

- Revenue up 23% to $238.4 million
- EBIT up 31% to $92.7 million
- NPAT up 37% to $67.5 million
- Earnings Per Share up 36% to 53.1 cents

The Board is committed to returning value to shareholders and the total fully franked dividend for FY11 was 26 cents per share, a 63% increase on the FY10 total dividend of 16 cents per share. This represents approximately 50% of Net Profit After Tax and is at the top end of our target dividend payout ratio of 30-50% of NPAT.

Shareholders also continue to benefit from growth in the REA Group share price. In the 12 months to 31 October 2011, the REA share price outperformed the ASX 200 by 30%. *[Slide 2: REA Group share price vs ASX 200]*

[1] Source: Frost & Sullivan, Australian Online General and Mobile Advertising Market, September 2011
[2] Source: Nielsen Online Ratings, September 2011

REA Group was added to the S&P/ASX 300 Index on 17 September 2010 and our market capitalisation has averaged around $1.5 billion since that time.
Recently, REA Group was named in the 2011 *Forbes Asia* 'Top 200 Best Under A Billion' list of high-performing Asia-Pacific companies with revenue under US$1 billion.

In closing, REA Group launched its innovation strategy in 2010 and this year we saw it bear fruit in the form of revenue growth across six core business units and record financial results.

On behalf of the Board, I would like to congratulate Greg Ellis on his excellent leadership throughout the year and the entire REA team on their success. I truly believe that REA has the strongest management team of any digital business in Australia and their skills and hard work have been rewarded with the 2011 results.

The Board would also like to thank you, our shareholders, for your support of REA Group. We look forward to continuing to share the Company's success with you.

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