

REA GROUP LIMITED

INVESTOR & ANALYST PRESENTATION – 16 AUGUST 2012

**Greg Ellis – Chief Executive Officer &
Jenny Macdonald – Chief Financial Officer**



REA Group

Market Leaders in Growth & Innovation



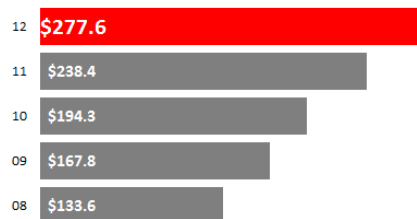
- REA Group operates property websites in Australia and international markets
- We aim to be globally known as the leading, most innovative digital marketing company for property and the first choice for customers, advertisers and consumers
- REA Group's position as a market leading digital media business has been achieved through a focus on continuous innovation and investment in technology to deliver an outstanding end user experience. This has been instrumental in the growth of the brand and financial performance.

Key highlights of our performance for the year ended 30 June 2012.

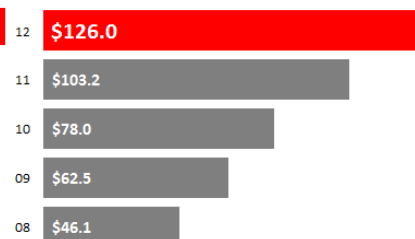
AU\$ million	FY 2012	FY 2011	Growth YoY
Revenue	277.6	238.4	16%
EBITDA	126.0	103.2	22%
EBITDA Margin	45%	43%	5%
EBIT	110.8	92.7	20%
EBIT Margin	40%	39%	3%
NPAT	86.8	67.5	29%
Cash balance	181.6	137.5	32%
Dividend per share (DPS) c	33.0	26.0	27%
Earnings per share (EPS) c	66.2	53.1	25%

- Group revenue growth at 16%
- Continued EBITDA growth across the Group at 22%
- Revenue growth continues in core Australian market at 15%
- Revenue growth of 35% for Italy (44% in local currency), positive EBITDA and 100% owned
- Property Listings for the group are stable at 1.6m
- Cash balance growth of 32% to \$181.6m
- Paying agents for the Group decreased during 2012 to 21,448 from 22,919 in 2011 due to market contraction and consolidation.

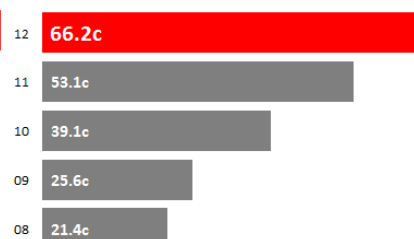
FY Revenue (\$MILLIONS)



FY EBITDA (\$MILLIONS)

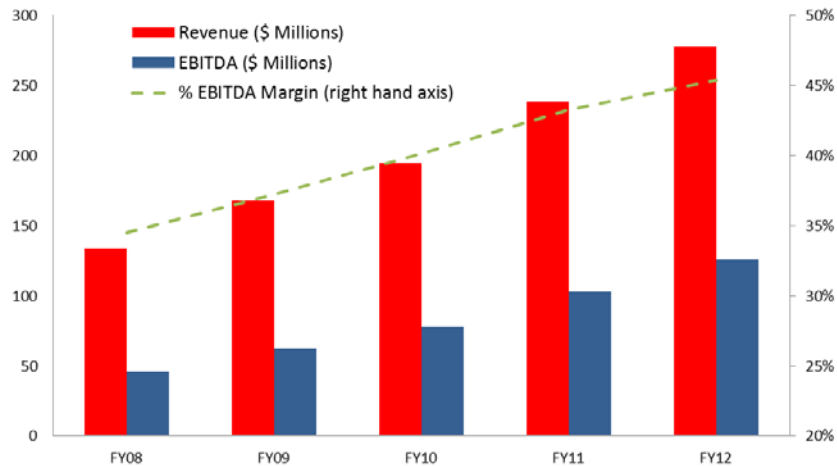


FY EPS (cents)



Growth continues in key areas for all countries

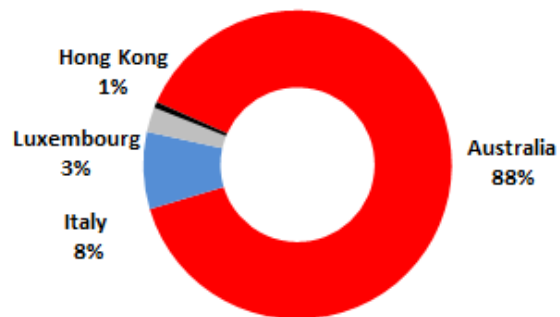
Consistent growth in Revenue and EBITDA (\$m)



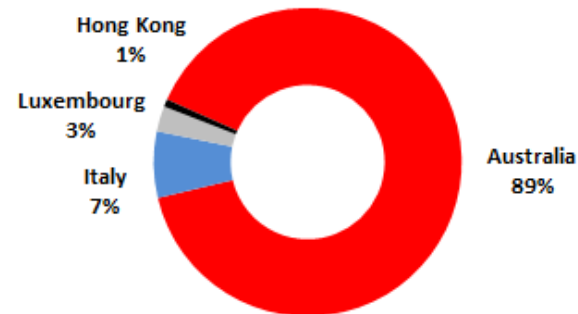
REA Overperformance of ASX 200 Index ⁽¹⁾



**Revenue %
by Country 2012**



**Revenue %
by Country 2011**



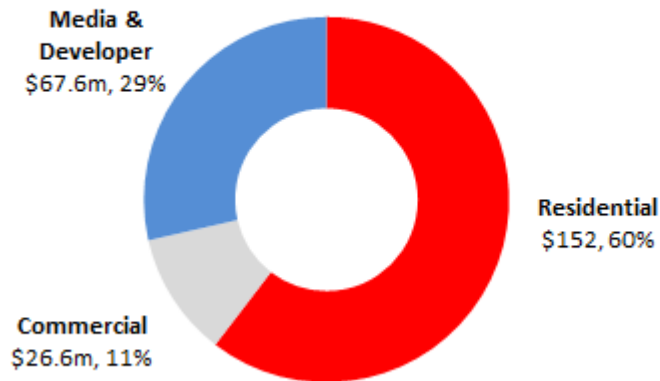
(1)Source: REA Group and Yahoo Finance

REA operates and invests throughout the property life cycle...

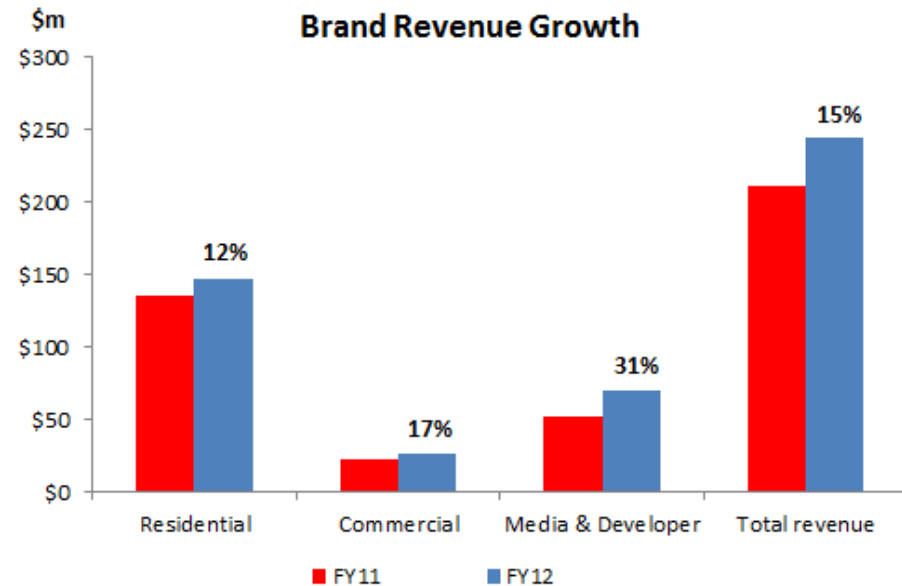


Australian market continues to deliver

FY12 Australian Revenue by Brand
\$M & %



Brand Revenue Growth



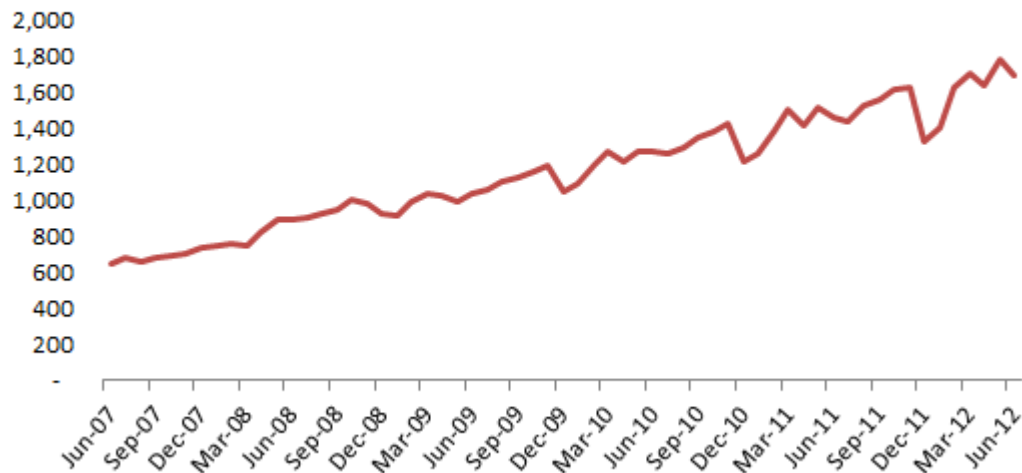
Revenue Categories \$M	2012		2011	Growth YoY
Subscription revenue	\$	110.3	\$ 101.5	8.7%
Listing Revenue	\$	87.4	\$ 74.0	18.1%
Media & Other ⁽¹⁾	\$	48.5	\$ 38.1	27.2%
Total revenue	\$	246.2	\$ 213.6	15.3%

(1) Media & Other is remaining revenue after allocation of Developer revenues into Subscription and Listing categories

Australia key growth drivers

Monthly ARPA Australia (\$)

(Average revenue per agent)



Year end metrics	FY12	FY11	Growth YoY
ARPA \$	1,693	1,456	16.3%
Listings (2)	761,329	779,315	-2.3%
Website Unique Browsers (1)	6,541,568	7,445,210	-12.1%
Mobile Unique Browsers (3)	1,355,672	671,724	101.8%
Paying Agents	9,069	9,559	-5.1%
EBITDA \$m	\$ 129.6	\$ 112.1	15.6%

Key Highlights

- #1 Australian residential real estate site
- Continued growth in value-added products
- New products delivered:
 - Diamond Subscription take up rates accelerating with contract renewals
 - Highlight uptake exceeded expectations
- Paying agents reduction due to market consolidation offset by increased Average Revenue Per Agent (ARPA)
- Transition of Unique Browsers from Desktop to Mobile whilst maintaining Desktop coverage over competitors

1) Nielsen Online Market Intelligence for June 2012
 2) REA Internal Statistics
 3) Adobe Omniture Site Catalyst

33 Maurice Street, Molan, Vic 3000

DIABLO TOWERS

\$488,000 - \$750,000

New Apartments

Diablo Towers - Absolute Waterfront Living

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Morbi lobortis diam in metus sagittis id pellentesque dui aliquet. Nam at urna leo. Lorem ipsum dolor.

ROCHER DEVELOPMENTS

Details

Apartment	3 	2 	2 	from \$488,000	>
Apartment	3 	2 	2 	from \$518,000	>
Sub-Penthouse	3 	2 	2 	from \$628,000	>
Penthouse	4 	2 	2 	from \$688,000	>
Penthouse	4 	2 	2 	from \$750,000	>

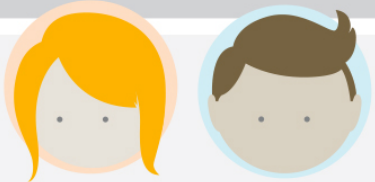
☐ Hide Properties within Diablo Towers

Brand Highlights

- Media and Developer revenues up by 31%
- Top ten publisher in agency bookings
- Key focus for ongoing innovation
- ‘Project Profiles’ to showcase Developer branding and total Projects with improved functionality such as imbedded video
- Growth driven by developer display advertising
- Developer agents stable throughout 2012

‘Project Profiles’ example showcasing total development

realestate.com.au outperforms on audience and engagement

	CLOSEST COMPETITOR	OUTPERFORMING THE COMPETITION
UNIQUE AUDIENCE OF 2.9 MILLION ¹ 	1.6M ¹	1.8x
 6.49 MILLION ² UNIQUE BROWSERS	3.5M ²	1.9x
TOTAL TIME ON SITE (000's mins) 174,201 ³ 	56,389 ³	3.1x
61% of total minutes Australians spent on residential property portals was on realestate.com.au ⁴	17% ⁴	2.8x
 On average, people spend a total of 44 minutes per month on realestate.com.au searching for properties or agents ⁵ .	27 MINUTES ⁵	1.6x

1. Nielsen Online Ratings, Domestic Audience, Unique Audience, Average September 2011 – June 2012
2. Nielsen Online Market Intelligence, Total Traffic, Unique Browsers, Average July 2011 – June 2012
3. Nielsen Online Market Intelligence, Total Traffic, Time on Site (000's mins), Average July 2011 – June 2012
4. Nielsen Online Ratings, Domestic Audience, Total Minutes, June 2012
5. Nielsen Online Ratings, Domestic Audience, Time Per Person, Average September 2011 – June 2012

Mobile growth continues - Australia



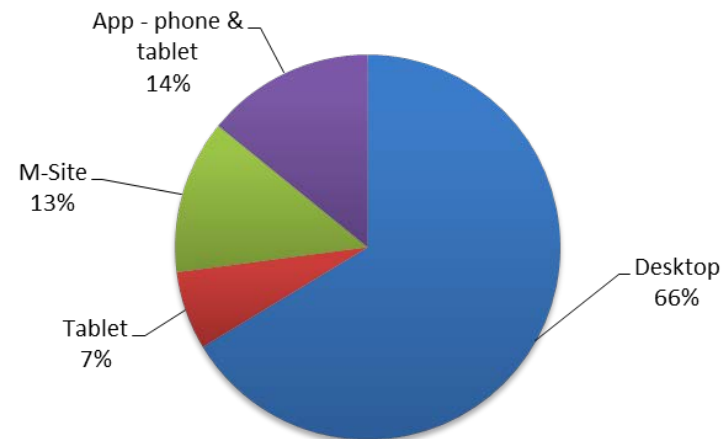
Rapid mobile growth

- 34% of total visits are now from mobile devices
- m.site traffic has doubled since June 2011 to 1.3m Unique Browsers⁽¹⁾ while desktop traffic has been sustained.

Our customers are moving to mobile

- Mobile apps downloads have reached 1.1 million
- Consistently in top 10 lifestyle apps in iTunes store ⁽²⁾

Mobile equals 34% of visits



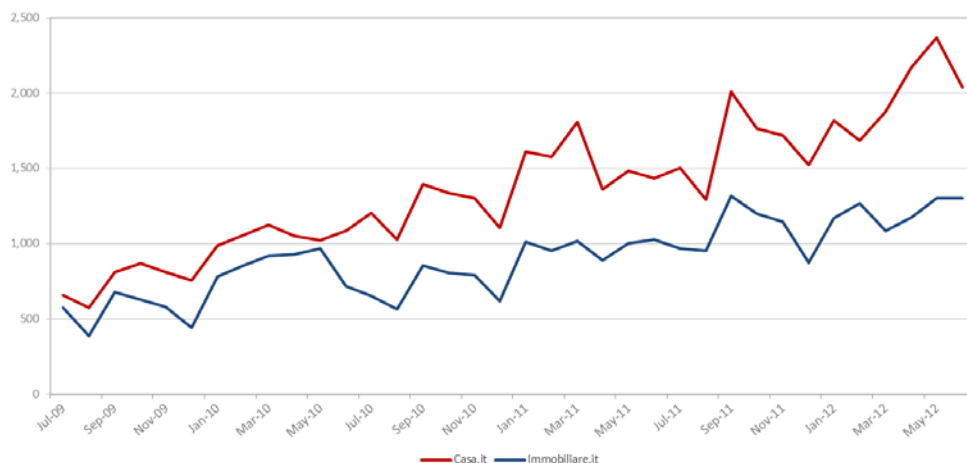
1) Rea Internal statistics, Adobe Omniture site catalyst, June 2011 & June 2012

2) As at 11 July 2011

Casa.it goes from strength to strength

Total Unique Audience

Source: Nielsen Online, NetView, June 2012



Casa.it

- Italy's number one property site
- Strong revenue growth 44%
- Excellent ARPA growth 44%
- Full year EBITDA profit
- Average Unique Audience 1.6 times more than the second ranked site ⁽³⁾
- Decline in customer numbers were due to:
 - Economic conditions
 - Firm application of our Credit Policy
 - Acquisition rates did not offset customer losses

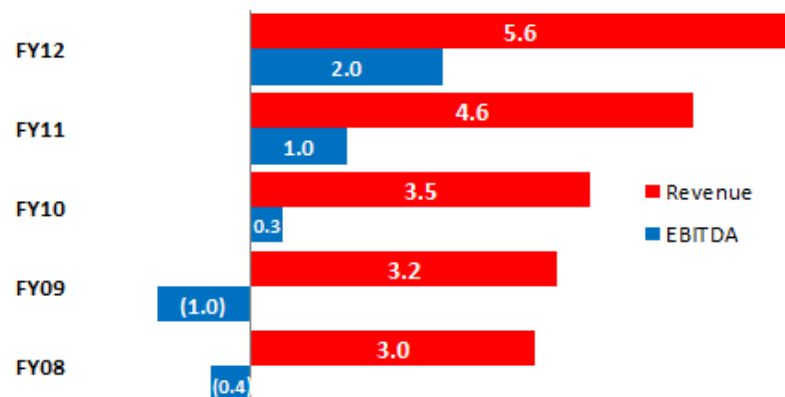
	Euro'000	Euro'000	
Revenue Split (€'000)	2012	2011	Growth YoY
Subscription Revenue	13,831	9,630	44%
Listing & Banner Revenue	894	185	383%
Media Third Party	1,919	1,562	23%
Media Other	647	653	-1%
Total Revenue	17,291	12,030	44%
EBITDA	675	(2,540)	N/A

Year end measures	2012	2011	Growth YoY
ARPA (€)	154	107	44%
Listings ('000) ⁽²⁾	644	699	-8%
Unique Browsers ('000) ⁽¹⁾	4,391	3,605	22%
Unique Audience ('000) ⁽³⁾	2,040	1,436	42%
Paying agents	11,208	12,377	-9%

1) Nielsen Online Market Intelligence
 2) REA Internal Statistics
 3) Netview statistics

Revenue and EBITDA growth across international businesses

Luxembourg €m

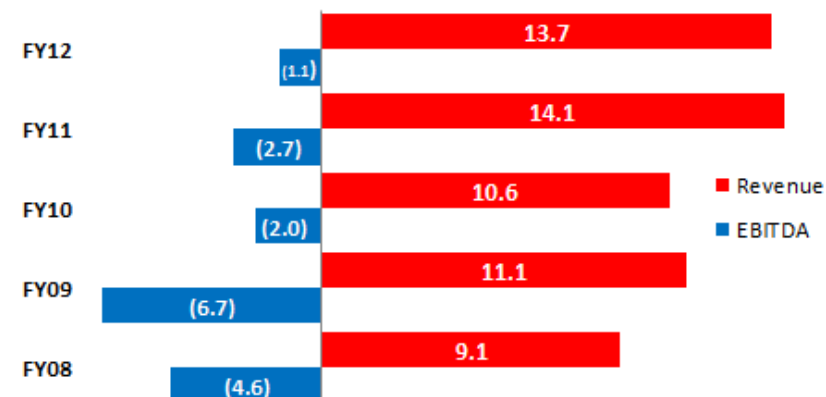


atHome.lu /atHome.de/ immoregion.fr

- #1 in Greater Luxembourg
- Paying agents growing in France
- 100% EBITDA growth

atHome		2012	2011	Growth YoY
Total Revenue	€ Mill	5.6	4.6	22%
EBITDA	€ Mill	2.0	1.0	100%
ARPA	€	531	457	16%

Hong Kong HK\$m



squarefoot.com.hk

- Excellent online growth
- EBITDA growth from consolidation of print publications
- ARPA decrease due to lower cost of adds online vs print

Hong Kong		2012	2011	Growth YoY
Total Revenue	HK\$ Mill	13.7	14.1	-3%
EBITDA	HK\$ Mill	(1.1)	(2.7)	N/A
ARPA	HK\$	7,191	11,972	-40%

REA Group's growth record

Financial Comparatives (\$'000)	2008 Full Year	2009 Full Year	2010 Full Year	2011 Full Year	2012 Full Year	Growth 2012
Revenues from continuing operations	133,562	167,795	194,335	238,401	277,613	16%
Operating expenses	(87,438)	(105,304)	(116,348)	(135,220)	(151,631)	12%
EBITDA	46,124	62,491	77,987	103,181	125,982	22%
<i>EBITDA Margin</i>	35%	37%	40%	43%	45%	
Depreciation and amortisation expense	(6,404)	(7,348)	(7,088)	(10,489)	(15,184)	45%
Impairment	-	(7,995)	-	-		
EBIT	39,720	47,148	70,899	92,692	110,798	20%
<i>EBIT Margin</i>	30%	28%	36%	39%	40%	
Net finance (expense)/income and FX	488	153	1,064	4,594	7,652	
Earnings before tax	40,208	47,301	71,963	97,286	118,450	22%
Income tax (expense)	(14,720)	(18,598)	(22,597)	(29,781)	(31,668)	6%
Profit from continuing operations	25,488	28,703	49,366	67,505	86,782	29%

EBITDA growth continues across all countries

COUNTRY PERFORMANCE \$'000		FY 2012	FY 2011	% Growth
Revenue	Australia	246,224	213,595	15%
	Italy	22,414	16,599	35%
	Luxembourg	7,269	6,362	14%
	Hong Kong	1,706	1,845	-8%
	Corporate overhead			
	Total	277,613	238,401	16%
EBITDA	Australia	129,620	112,086	16%
	Italy	875	(3,484)	N/A
	Luxembourg	2,627	1,387	89%
	Hong Kong	(132)	(353)	N/A
	Corporate overhead	(7,008)	(6,455)	9%
	Total	125,982	103,181	22%
EBITDA as % Revenue	Australia	53%	52%	
	Italy	4%	-21%	
	Luxembourg	36%	22%	
	Hong Kong	-8%	-19%	
	Corporate overhead			
	Total	45%	43%	

Commitment to innovation continues



Advertising Upgrades

realestate.com.au
Australia's No.1 property site™



Upgrade your ad to give your property the best chance of selling for a higher price

We offer a range of products to help your property stand out to potential buyers. Ad upgrades are proven to attract more views and enquiry - generate more competition to drive a higher sale price.

Call 1800 2-UPGRADE
to upgrade your property ad today

← BACK TO YOUR PROPERTY LISTING

Premiere Ad
Give your property the premium treatment
Reserved for properties of distinction, Premiere takes your property to the top of our search results. Premiere ads get more attention with up to 15 times more views, and 8 times more enquiry than standard ads.

- Appear at the top. Prioritised to appear before Highlight, Feature and Standard ads
- Largest ad size available
- Largest photo

Priced up to \$2170* for a 30 day campaign
Call 1800 7355464
to upgrade your ad today

Highlight Ad
Shine above the rest.
Highlight combines priority positioning with prominent design. Highlight ads give you an affordable option to jump ahead in the search results with up to 8 times more views and 5 times more enquiry than standard ads.

- Appear towards the top. Prioritised to appear before Feature and Standard ads
- Large photo carousel
- More prominent design

Priced up to \$700* for a 30 day campaign
Call 1800 7355464
to upgrade your ad today

14 Fairbank Place, Southview, VIC 3000



\$1,300,000
Auction

House 4 4 5

Agent: Jim Smith
Perfect position and presentation
Feel the tropical breeze. The indoor/outdoor lifestyle, typified by lush greenery and a truly stunning water...

Virtual Tour | Video

Inspect Save Details

14 Fairbank Place, Southview, VIC 3000



\$1,300,000
Auction

House 4 4 5

Perfect position and presentation
Feel the tropical breeze. The indoor/outdoor lifestyle, typified by lush greenery and a truly stunning water...

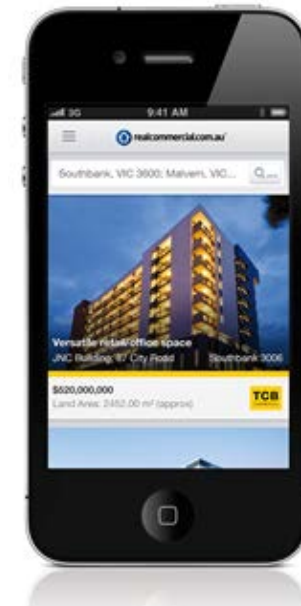
Floorplan

Inspect Save Details

Diamond Subscription



Realcommercial iPhone application



Highlight Listing

9 Verdoni Drive, Southview, 0000

PIPPIN & HALL
REAL ESTATE AGENTS

\$620,000 – \$680,000



House 3 2 2

Modern Classic – Unbeatable Position
Immaculate, low-maintenance architect-designed residence in premium Southview location comprising large gallery-style kitchen...

Agent: Jim Smith

Floorplan

Inspect Save Details

Investing in our customers

AN EXCLUSIVE INVITATION



Agent Innovation Series

We're hosting a FREE event series that will challenge the way you think and act in and outside of business. The Agent Innovation Series is a tailored program developed by real estate trainers Daniel Spencer and Chris Helder to educate and inspire you in your personal and work life.

First session - Wednesday 2nd May

The first session - Listing Presentations - takes place next week and will cover:

- Preparing to win
- Advance questioning skills
- Presenting modern day selling points of difference
- Advising method of sale
- Overcoming objections
- Closing skills

Registration closes tomorrow so jump online and sign up. We look forward to seeing you at Le Montage next Wednesday.

Details & Agenda

Date: Wednesday 2nd May

Venue: Le Montage, Lilyfield

Cost: FREE for realestate.com.au customers

8.00am - Registration

8.30am - Chris Helder

10.00am - Morning Tea

10.30am - Daniel Spencer

Speakers



Daniel Spencer: Director, Activate

A passionate keynote presenter, trainer, facilitator and coach, Daniel Spencer has been well recognised as an influential leader in the real estate industry for over 15 years. With a focus on shaping the future of the industry, Daniel positions himself at the forefront of learning, surrounding himself with high performing agents in a constant state of evolution, building on the best he sees both in and outside of the industry.



Thomas Skelly @C21Thomas 35m
#reaevents the highlights received today were too many to mention in 1 tweet so I will have to come back to all the next events 2 learn more

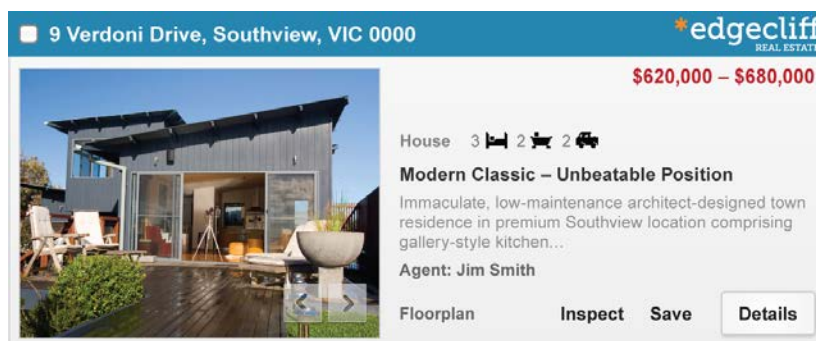


Braden Walters @BradenWal... 50m
#reaevents at LeMontage this morning. @chrishelder great first session on listing and closing skills. Some old techniques for the new age



Yve Whitehead @Whiteheady 26m
#REAevents what an amazing presentation from @HelderChris at Le Montage! Inspiring... I'm in love with Real Estate again!

Product Summary



realestate.com.au Highlight property listing



Diamond Subscription – Agent website

Product	Residential	Real Commercial	Media & Developer	Casa	At Home	Squarefoot
Subscription	Standard Platinum Diamond	Standard Platinum Diamond	Standard Platinum Diamond	Platinum Diamond	Standard Upgraded	Basic Standard Premium
Listing Products	Feature Property Highlight Property Premiere Property Pay Per Listing eBrochure	Enhanced Property Elite property Elite Plus Property Pay Per Listing		Feature Property	Feature Property Top Position Pay Per Listing	Feature Property Sponsored Feature Serviced Apartment Premiere Property Hot Property eBrochure/EDM
Branding Products	Exclusive Agent Showcase Banners Feature Agent Suburb Sponsorship	Banners Homepage Advantage Feature Agent	Skyscraper Mrec Banners Strip Ads Floor Ads Half Page	Banners Mini Domain Feature Agent Minisite	Homepage Banners Feature Agent Agent banners	Super Banners District Towers Banners Champion Banners Skyscraper Creative Strip Ad

Residential product examples

Product Hierarchy

FOUR DISTINCT OPTIONS TO SHOWCASE YOUR PROPERTY



PREMIERE PROPERTY
UP TO 15X MORE VIEWS*

HIGHLIGHT PROPERTY
UP TO 8X MORE VIEWS*

FEATURE PROPERTY
UP TO 3X MORE VIEWS*

STANDARD LISTING*

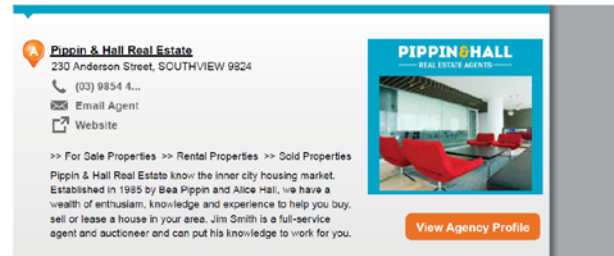
Feature Agent

TAKE A STRONGER POSITION TO WIN YOUR NEXT LISTING

68% of potential vendors research property online?

Australia's No.1 property site, realestate.com.au has over 3 million visitors each month. With over 1 million visits to the 'Find An Agent' tab each month, it makes online an important tool to help you maintain brand awareness and attract new enquiries.

FEATURE AGENT POSITIONS YOU AS A LEADER IN YOUR LOCAL AREA.



Pippin & Hall Real Estate
230 Anderson Street, SOUTHVIEW 9824
(03) 9854 4...
Email Agent
Website

>> For Sale Properties >> Rental Properties >> Sold Properties

Pippin & Hall Real Estate know the inner city housing market. Established in 1985 by Bea Pippin and Alice Hall, we have a wealth of enthusiasm, knowledge and experience to help you buy, sell or lease a house in your area. Jim Smith is a full-service agent and auctioneer and can put his knowledge to work for you.

[View Agency Profile](#)



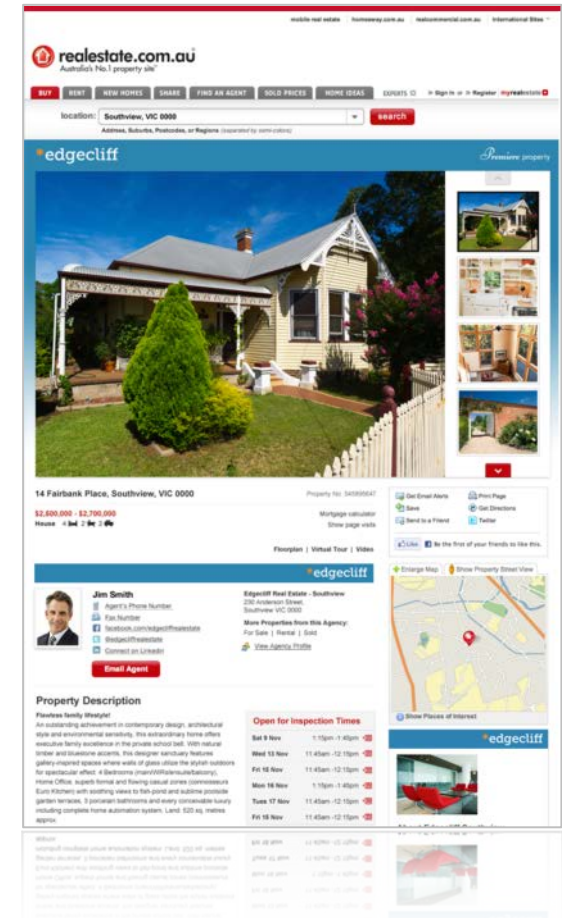
-  **Stand out before standard agent listings** in an oversize ad.
-  **Be chosen.** 32% of visits to the 'Find An Agent' tab make an enquiry!
-  **Stay top of mind** to win new listings through prominent agent branding.
-  **Expand your footprint.** To attract business from surrounding areas become a Feature Agent in multiple suburbs.
-  **Get a jump on competitors** with only 3 Feature Agent positions available per suburb.

Be the Feature Agent in your area

Contact your Account Manager.
Call 1300 134 174 or visit agent.realestate.com.au

1. OnDemand Site Catalyst, Average May 2011 to April 2012. 2. Residential Consumer Property Seeker Report, Oct 2011. 3. Nielsen Online Ratings, Domestic Audience, Jan-Mar 2012. R04/12/2012

Premiere Property details page



realestate.com.au
Australia's No.1 property site™

locations: Southview, VIC 3008 [SEARCH](#)

edgecliff

14 Fairbank Place, Southview, VIC 3008
\$2,600,000 - \$2,700,000
House - 4 Bed 2 Bath

Jim Smith
Agent's Phone Number
Fax Number
Facebook.com/edgecliffrealestate
Designated Real Estate
Contact on Location
[Email Agent](#)

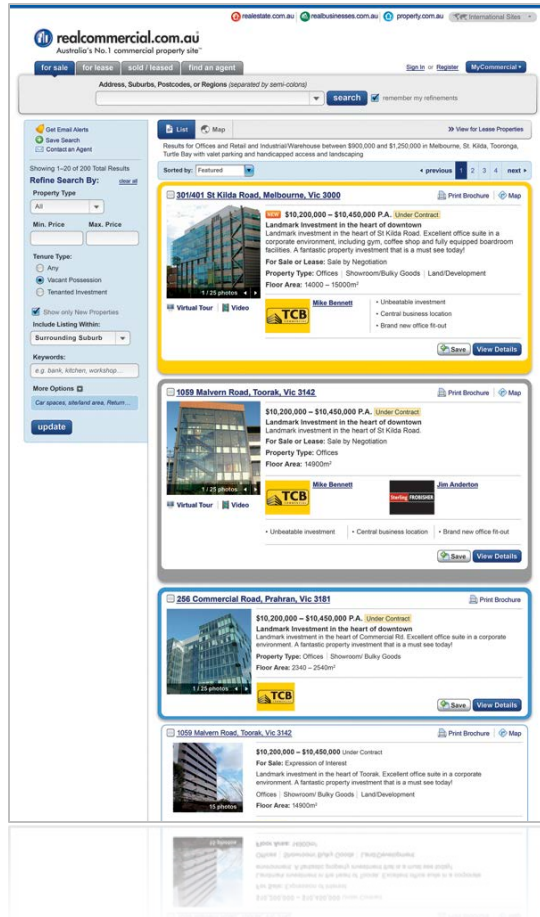
Property Description
Prestigious family developer. An outstanding achievement in contemporary design, architectural style and environmental sensitivity, this extraordinary home offers exclusive family excellence in the private school belt. With natural timber and stone/stone accents, this designer sanctuary features gallery inspired spaces where walls of glass allow the light to work for spectacular effect. 4 bedrooms (main/office/study/bedroom), home office, superb formal and living casual zones (commensurate with the style), 10 percent bathrooms and every conceivable luxury including complete home automation system. Land: 520 sq metres approx.

Open for Inspection Times

Day	Time
Sat 9 Nov	11:00am - 1:00pm
Sun 10 Nov	11:00am - 12:00pm
Fri 16 Nov	11:00am - 12:00pm
Sat 17 Nov	11:00am - 1:00pm
Fri 18 Nov	11:00am - 12:00pm

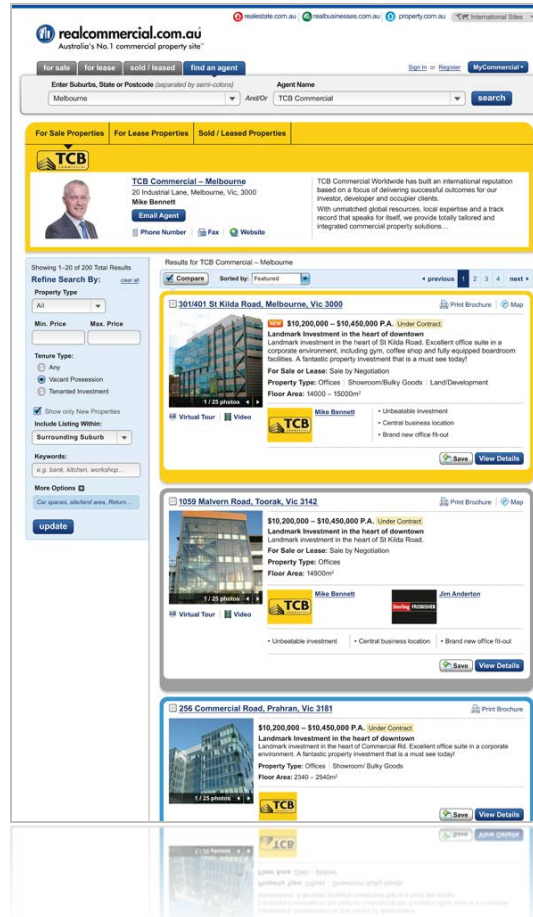
Commercial product examples

Elite PLUS, Elite and Enhanced listings



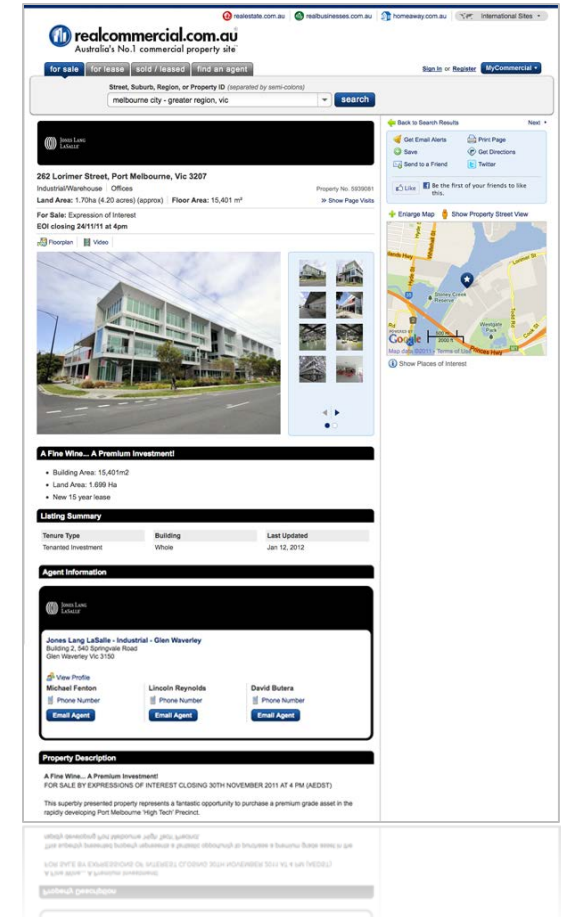
The screenshot shows the realcommercial.com.au website interface. At the top, there's a navigation bar with links for 'For sale', 'For lease', 'Sold / Leased', and 'Find an agent'. Below this is a search bar with a dropdown menu for 'Address, Suburbs, Postcodes, or Regions (separated by semi-colons)'. To the left of the main content area, there's a sidebar with filters for 'Property Type', 'Min. Price', 'Max. Price', 'Tenure Type', and 'Keywords'. The main content area displays a list of properties, each with a thumbnail image, address, price range, and a brief description. The first property listed is '301/401 St Kilda Road, Melbourne, Vic 3000' with a price range of '\$10,200,000 - \$10,450,000 P.A. Under Contract'. Other properties listed include '1099 Malvern Road, Toorak, Vic 3142' and '286 Commercial Road, Prahran, Vic 3181'.

Professional Agent



The screenshot shows the realcommercial.com.au website interface, specifically the 'Professional Agent' section. The search bar and filters are similar to the previous screenshot. The main content area displays a list of properties, each with a thumbnail image, address, price range, and a brief description. The first property listed is '301/401 St Kilda Road, Melbourne, Vic 3000' with a price range of '\$10,200,000 - \$10,450,000 P.A. Under Contract'. Other properties listed include '1099 Malvern Road, Toorak, Vic 3142' and '286 Commercial Road, Prahran, Vic 3181'. The page also features a 'TCB Commercial - Melbourne' logo and a 'Mike Bennett' agent profile.

Elite PLUS details page



The screenshot shows the realcommercial.com.au website interface, specifically the 'Elite PLUS details page' for a property. The search bar and filters are similar to the previous screenshots. The main content area displays a large thumbnail image of the property, followed by a detailed description. The property is '262 Lorimer Street, Port Melbourne, Vic 3207' with a price range of '\$10,200,000 - \$10,450,000 P.A. Under Contract'. The page also includes a 'Listing Summary' table, an 'Agent Information' section, and a 'Property Description' section. The 'Listing Summary' table shows the property type, building, and last updated date. The 'Agent Information' section lists the agent's name, phone number, and email address. The 'Property Description' section provides a detailed overview of the property and its location.

Disclaimer

The material herein is a presentation of non-specific background information about the Company's current activities. It is information given in summary form and does not purport to be complete. Investors or potential investors should seek their own independent advice. This material is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of a particular investor. These should be considered when deciding if a particular investment is appropriate.