

**ASX Announcement
4 February 2014****Long-term vision delivers 30 % revenue growth for REA Group**

- **Revenue of \$209.4 million, up 30 %**
- **EBITDA of \$106.8 million, up 38 %**
- **Net profit of \$70.7 million, up 37 %**
- **Interim dividend of 22 cents**
- **EPS of 53.7 cents, up 37 %**

REA Group Limited (ASX: REA) today announced its result for the half-year ending 31 December 2013. First-half revenue for the Group rose to \$209.4 million, a 30% increase on the prior corresponding period, EBITDA rose 38% to \$106.8 million and net profit increased by 37% to \$70.7 million.

Commenting on the result, REA Group Managing Director and CEO Greg Ellis said: “Our first-half performance is the result of taking a long-term view of our business. We saw where the property advertising market was headed and made a deliberate decision to shift our focus from subscriptions to depth products which meet specific market needs. This strategy is now delivering excellent growth and returns for our shareholders. In Australia, revenue from listing depth products grew by 67% this half, and we continued our depth product rollout in Italy and Greater Luxembourg.”

Financial Results* for the half-year include:

AU\$ million (unless stated)	HY 2014	HY 2013	Growth
Revenue	209.4	161.4	30%
EBITDA	106.8	77.2	38%
EBITDA Margin	51%	48%	6%
NPAT	70.7	51.6	37%
Cash balance as at 31 Dec	286.3	209.5	37%
Earnings per share (EPS)	53.7c	39.2c	37%

* To be read in conjunction with the REA Group Interim Financial Report for the half-year ended 31 December 2013

“Our Group performance demonstrates our ability to achieve strong growth, while continuing to expand our operations, both locally and internationally. During the first-half we acquired Italian property site Attico.it and announced plans to launch our Chinese site, myfun.com. Since the period ended, we have acquired online rental application service 1Form.com and launched a beta version of myfun.com. These developments support our strategy and are consistent with our company purpose which is to help people to live their property dreams by making the entire property process simple, efficient and stress free,” said Mr Ellis.

Australia – Increased take-up of depth products drives performance

REA Group's Australian operations include the market-leading residential and commercial real estate websites, realestate.com.au and realcommercial.com.au, as well as REA Media which serves developer and display media clients.

Together, these businesses recorded 30% revenue growth for the half-year. Listing depth product revenue grew by 67% to \$100 million, representing the largest revenue category, and media display revenue grew by 24% to \$31.6 million. Consistent with the strategy to focus on depth product growth, subscription revenue recorded a 5% decrease to \$55.5 million.

The Australian residential business achieved 34% revenue growth during the first half, as demand for premium listing depth products increased. The commercial business also performed well, achieving 22% revenue growth, also led by take-up of listing depth products. REA Media achieved a strong result with a 24% increase in revenue during the first half reflecting increased demand for its innovative display media and developer advertising products.

There was a 3% increase in agent offices, primarily in Queensland, bringing total agent offices to 9,210 and Average Revenue Per Agent (ARPA) increased by 29% due to increased take-up of listing depth products.

On 14 January 2014, REA Group announced the acquisition of 1Form.com, Australia and New Zealand's market-leading online rental application form, for a cash consideration of \$15 million. The acquisition supports the Group's strategy to connect people with the practical services they need to live their property dreams.

Together, REA Group's Australian sites accounted for an average of 77.7% of total minutes spent on property portal sites (nearest competitor 19.8%). The Group's sites and apps recorded 39.7 million average monthly visits for the half-year ended 31 December 2013. REA Group apps surpassed 2.8 million downloads in December 2013 and recorded a 112% increase in visits. Reflecting the success of the Group's 'mobile first' approach, realestate.com.au won the 2013 Australian Mobile Award for 'Best Audience Migration to Mobile Technology' in October.

International

Challenging economic conditions and a decline in demand for display advertising resulted in REA Group's Italian business, casa.it, recording 2% revenue growth in local currency (22% in AUD). Media display revenue decreased by 29% on the previous half-year, however, casa.it achieved 5% growth in subscription revenue, 11% growth in ARPA, and 47% growth in listing depth revenue. casa.it now offers three premium listing depth products and the depth rollout is continuing in this market.

In November 2013, REA Group acquired Italian property portal Attico.it for \$4.7 million (€3.1 million). The acquisition will assist casa.it to broaden its product offering and further

strengthen its market-leading position. During the first half casa.it's average monthly unique audience grew by 26% to 2.6 million, 1.4 times its nearest competitor.

The athome Group, operating in Greater Luxembourg and neighbouring regions in France and Germany, achieved 25% revenue growth in local currency (48% in AUD), 46% EBITDA growth and 22% ARPA growth. The site is the market leader in Greater Luxembourg and its continued expansion into France saw average monthly visits increase by 14% in the first half.

In Hong Kong, REA Group continued to invest in strengthening the market position of its squarefoot.com.hk site. As a result, EBITDA decreased by HK\$2.3 million (AUD \$0.3 million), however, the business recorded 15% revenue growth (20% in AUD) and a 76% increase in average monthly visits to the site.

A beta version of REA Group's new Chinese language site, myfun.com, was launched in January 2014. MyFun translates to 'buy property' in Mandarin and is designed to meet demand from Chinese property buyers. The new site includes Australian and Hong Kong property listings, providing additional reach for property owners.

Shareholders rewarded with interim dividend growth

The directors have declared a 2014 interim dividend of 22 cents per share fully franked, a 38% increase on the 2013 interim dividend.

REA Group Chairman, Hamish McLennan, said: "This half-year represents another record result for REA Group and its shareholders. As these results clearly show, we have the right long-term strategy in place and the Board is confident the Group's talented and capable team will continue to deliver on our strategy."

The final dividend will be paid on 18 March 2014, with a record date of 4 March 2014.

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