

**ASX Announcement
8 August 2014****REA Group strategy delivers uplift in 2014**

- **Revenue of \$437.5 million, up 30 %**
- **EBITDA of \$225.1 million, up 37 %**
- **Net profit of \$149.9 million, up 37 %**
- **Final dividend of 35 cents per share**
- **EPS of 113.7 cents, up 36 %**

REA Group Limited (ASX: REA) today announced its results for the year ending 30 June 2014. Revenue for the Group increased by 30% on the prior year to \$437.5 million, EBITDA rose 37% to \$225.1 million and net profit increased by 37% to \$149.9 million.

REA Group Interim Chief Executive Officer Peter Tonagh said the Group's consistent delivery of its strategy led to an uplift this year.

"Our excellent results reflect the underlying strength of this business and our robust strategy for local and international markets. This year we have been active on the acquisition front as well as investing more than \$50 million in new technology, products and initiatives such as our Chinese site myfun.com.

"By empowering people with the tools and information they need to make the property process simple, efficient and stress free, we deliver outstanding value to people buying, selling or monitoring the market. By delivering access to a large and engaged audience of property seekers we deliver outstanding value to our agents and advertising customers", Mr Tonagh commented.

2014 Financial Results* include:

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Revenue	437.5	336.5	30%
EBITDA	225.1	163.9	37%
EBITDA Margin	51 %	49%	6%
NPAT	149.9	109.7	37%
Cash balance as at 30 June	253.8	257.3	(1%)
Earnings per share (EPS)	113.7c	83.3c	36%

*The numbers contained in this release are derived from the REA Group Audited Financial Statements for the year ended 30 June 2014

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Increased capital returned to shareholders through our dividend

The directors have declared a 2014 final dividend of 35 cents per share fully franked, bringing the total dividend for the year to 57 cents per share fully franked, a 37% increase on the 2013 total dividend.

The final dividend will be paid on 25 September 2014, with a record date of 20 August 2014.

Australia – Depth products continue to drive growth

Australia is REA Group's largest market and our operations include Australia's leading residential and commercial real estate websites, realestate.com.au and realcommercial.com.au. Our Australian operations recorded 30% total revenue growth for the year to \$392.2 million. Listing depth product revenue grew by 69% to \$220.4 million, while subscription revenue reduced by 9% on the prior year to \$104.4 million as a result of new products which reduce agents' fixed subscription costs.

The residential line of business achieved 33% revenue growth, driven by increased penetration of listing depth products which provide an upgrade path for individual property listings.

The commercial line of business recorded 29% revenue growth, also as a result of increased penetration of listing depth products. The commercial business absorbed the closure of the realbusiness.com.au site during the year, enabling greater focus on new products and technology aligned with our core strategy.

The media and developer line of business achieved 25% revenue growth due to continued display advertising innovation and strong adoption of the Project Profile product by developers, which increased by 83% this year.

Improved market conditions led to a 4% increase in the number of Australian agent offices to 9,452 in June 2014. Increased use of depth products to sell and lease properties contributed to average monthly revenue per agent (ARPA) growth of 30% to \$2,587¹.

The Group acquired Australian online rental application form business 1Form.com in January 2014. This will support future product development such as our 'Connections' products which will connect consumers to services related to the property process, such as finance, electricity, telecommunications and entertainment.

Our combined Australian sites - realestate.com.au, realcommercial.com.au and property.com.au - attracted average monthly visits of 40.8 million² during the year across all platforms, growing by 25% on the comparative year. This growth demonstrates the success of our new products

¹ ARPA calculated as average residential and commercial revenue per month for the year ended 30 June 2014 over the average monthly number of paying agents for the year ended 30 June 2014.

² Nielsen Online Market Intelligence Home and Fashion Suite, Nielsen Online Market Intelligence Domestic Report Suite Total Traffic for Audited sites and Adobe Omniture SiteCatalyst average monthly visits to main sites, mobile sites and apps for the year ended 30 June 2014 for realestate.com.au, realcommercial.com.au and property.com.au combined.

and services such as our dedicated section for property investors, sold price data, and 'Neighbourhoods' suburb profiles.

The audience for our award-winning mobile sites and apps grew this year with average monthly visits to our mobile apps increasing by 43% to 10.5 million³ and average monthly visits to our Australian mobile sites growing by 54%⁴.

Italy – Investment in depth products delivers growth

casa.it is Italy's leading digital real estate advertising business. Despite challenging market conditions, casa.it recorded revenue growth of 22% on the prior year (4% in local currency) to \$30.4 million (€20.6 million in local currency) and an EBITDA of \$0.05 million after acquisition costs.

Economic conditions and limited developer activity led to a reduction in media display revenue while EBITDA reflects costs associated with the acquisition of Attico.it in November 2013 and further development of depth products.

Increased take-up of listing depth products led to an 8% uplift in ARPA (in local currency). Average monthly visits to casa.it increased by 15% to 9.0 million⁵ and the site's average monthly unique audience of 2.6 million is 1.3 times that of its nearest competitor⁶.

Luxembourg and France – continued expansion in regional France

The Group operates the leading property sites in Luxembourg, athome.lu and atoffice.lu, as well as the immoRegion.fr site which this year continued its expansion in the Northern regions of France.

Revenue for Luxembourg and France increased by 44% (23% in local currency) on the prior year and an EBITDA of \$5.2 million (€3.5 million in local currency) was recorded. Average monthly ARPA increased by 19% (in local currency) and average monthly visits to the combined sites grew by 11% to 0.9 million⁷.

Hong Kong and China – extending reach in Asia

The Group's operations in Asia include the Hong Kong real estate portal squarefoot.com.hk and our new Chinese site myfun.com.

³ Adobe Omniture SiteCatalyst average monthly visits for the year ended 30 June for residential and commercial apps visits (including international traffic to apps).

⁴ FY 2014 data: Nielsen Online Market Intelligence Domestic Report Suite (July 2013 to December 2013) and Home and Fashion Suite (January 2014 to June 2014) Total Traffic for Audited sites average monthly visits for the year ended 30 June 2014 for mobile sites for realestate.com.au and realcommercial.com.au (domestic traffic to mobile sites only). FY 2013 data: Adobe Omniture SiteCatalyst average monthly visits for the year ended 30 June 2013 for mobile sites for realestate.com.au and realcommercial.com.au (including international traffic to mobile sites). Data source changed to Nielsen Online Market Intelligence in FY 2014 for consistency with internal reporting upon information being made available.

⁵ Adobe Omniture SiteCatalyst average monthly visits for the year ended 30 June for casa.it (main and mobile site visits, includes international traffic to site).

⁶ Audiweb average monthly unique audience utilising the most recent available data (July 2013 to April 2014, excludes November 2013 due to data issue).

⁷ Adobe Omniture SiteCatalyst average monthly visits for the year ended 30 June for athome.lu, athome.de, atoffice.lu and immoregion.fr combined (main and mobile site visits, includes international traffic to site).

Revenue for Hong Kong and China grew by 16% (12% in local currency) this year and there was a 4% increase (in local currency) in ARPA during the period. The development of myfun.com and marketing investment in Hong Kong resulted in an EBITDA loss of \$1.2 million (HK\$8.3 million in local currency).

Including myfun.com (since January 2014), our Asian sites received average monthly visits of 0.5 million⁸, an increase of 47% on the prior year.

In May 2014, a partnership was announced with China's leading property portal, SouFun.com (now Fang.com) to maximise the potential audience for Australian property.

Post year end, REA Group acquired a 17.22% shareholding in iProperty Group, an online property business operating across South East Asia. This acquisition complements the Group's existing sites in Hong Kong and China and provides access to fast-growing markets across South East Asia.

Commenting on the 2014 result, REA Group Chairman Hamish McLennan said: "This has been another fantastic year for REA Group and we remain on strategy and focused. As well as making significant investments in new products, initiatives and our international expansion, we achieved revenue and audience growth across all our sites which is a credit to the leadership team and to our employees worldwide."

Update on CEO appointment

The Company further announced Tracey Fellows will officially start as Chief Executive Officer and Executive Director on 20 August 2014, replacing Mr Peter Tonagh in the role of Interim Chief Executive Officer. Mr Tonagh will return to the role of Non-Executive Director of the Board.

Mr McLennan said: "We are excited to welcome Tracey to our business. I would like to personally thank Peter for taking on the role of Interim CEO during this transition period. He has provided exceptional support to the Board and the leadership team and has overseen the continued delivery of our business strategy and exceptional annual results."

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⁸ Adobe Omniture SiteCatalyst average monthly visits for the year ended 30 June for squarefoot.com.hk and myfun.com (myfun.com from January 2014) (main site visits only, includes international traffic to site).