

REA GROUP LIMITED

INVESTOR & ANALYST PRESENTATION For the year ended 30 June 2014

8 August 2014

Peter Tonagh - Interim Chief Executive Officer

Paul Burrows - Group Financial Controller

Delivering on our purpose

- Empowering agents and advertisers by providing access to the largest audience of property seekers and movers
- Empowering consumers by providing digital tools and information related to buying, selling, renting, leasing and monitoring the market
- Empowering employees by providing an environment that supports learning, growth and innovation



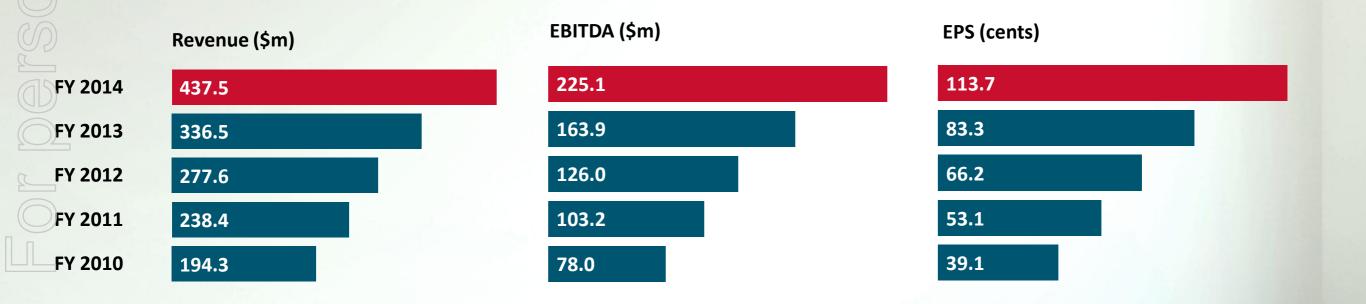


Empowering people by making property simple, efficient and stress-free

Group performance overview

AU\$ million	FY 2014	FY 2013	Growth
Revenue	437.5	336.5	30%
EBITDA (1)	225.1	163.9	37%
EBITDA margin	51%	49%	6%
EBIT	203.9	145.3	40%
EBIT margin	47%	43%	8%
NPAT	149.9	109.7	37%
NPAT before minority interest	149.7	109.7	36%
Cash balance	253.8	257.3	(1%)
Earnings per share (EPS) cents	113.7c	83.3c	36%
Dividend per share (DPS) cents	57.0c	41.5c	37%

- Revenue growth of 30%
- EBITDA growth of 37% has resulted in further margin growth
- Increased shareholder return through significant EPS and DPS growth
- Cash invested into expansion opportunities



Corporate development









Appointment of new executives

- Tracey Fellows appointed Chief Executive Officer, commencing in August 2014
- Owen Wilson appointed Chief Financial Officer, commencing in September 2014

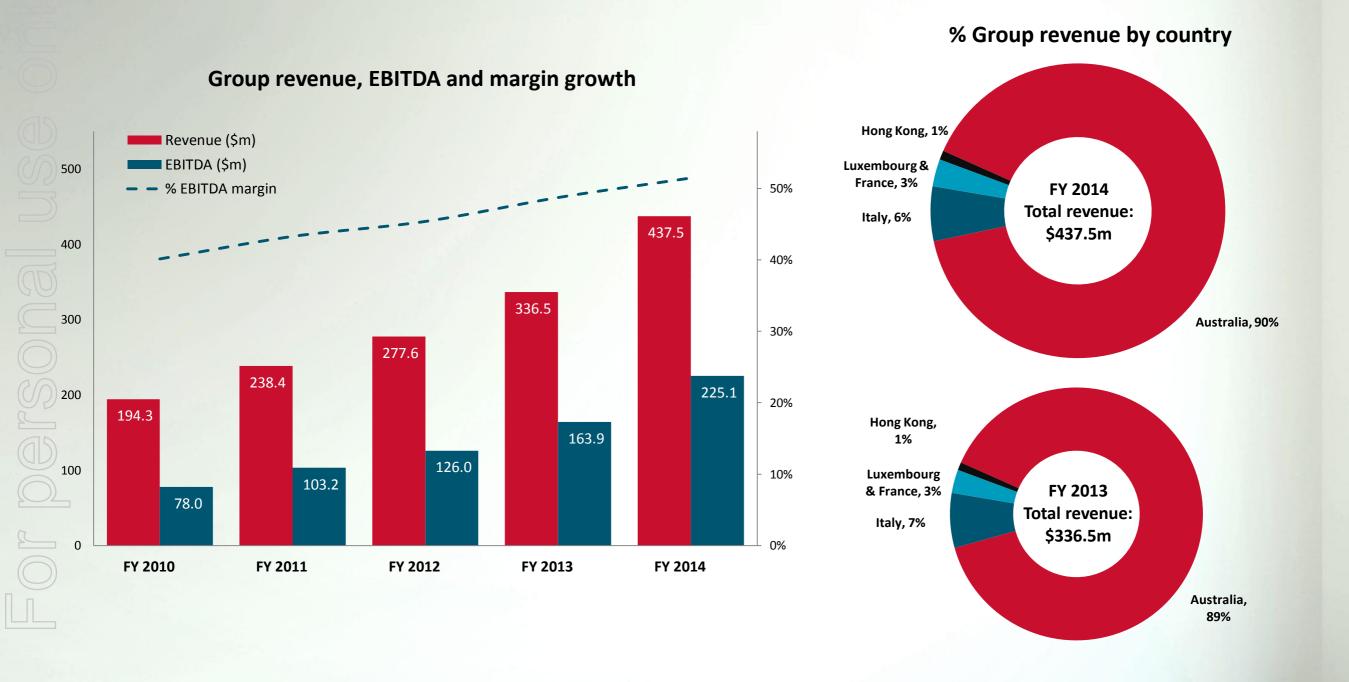
Bolt on acquisitions

- 1Form.com leading Australian tenancy application service which connects consumers with property-related services
- Attico.it industry-leading agent CRM software to broaden product offering in Italy

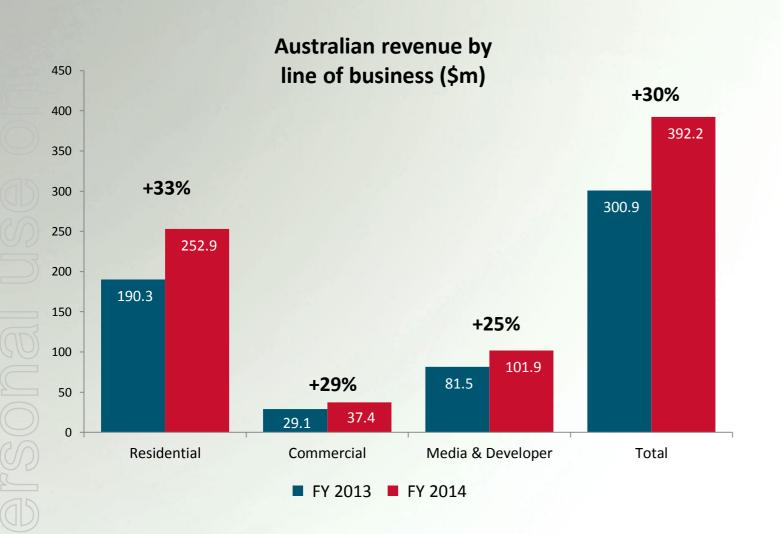
Next stage of global expansion

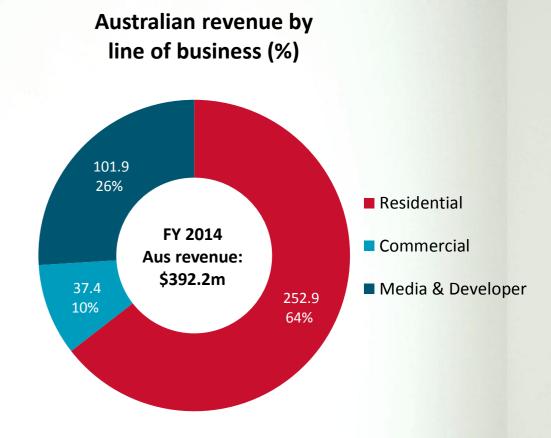
- myfun.com new REA Group site for Chinese property buyers
- iProperty Group online property business operating in South East Asia. REA Group purchased 17.22% of shares in July 2014

Group growth continues



Substantial growth across all Australian lines of business



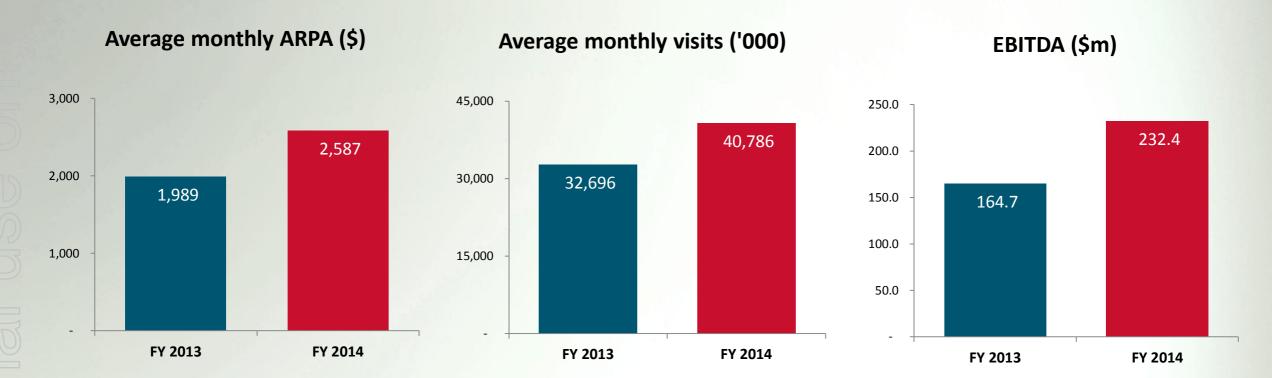


Revenue growth by advertising category

Category (\$m)	FY 2014	FY 2013	Growth
Listing depth revenue	220.4	130.5	69%
Subscription revenue	104.4	115.0	(9%)
Media display	65.5	52.9	24%
Other	1.9	2.5	(24%)
Total	392.2	300.9	30%

- 69% growth in listing depth products driven by increased penetration across the product range
- Reduction in subscription revenue due to new product offerings to reduce agent fixed costs
- Expansion of non-developer media products

Australian key metrics



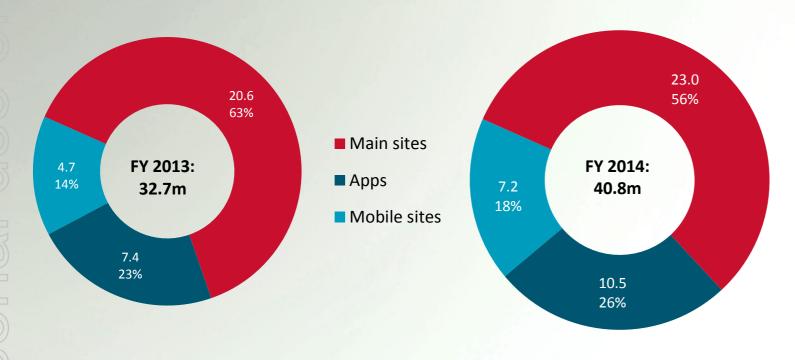
Australian key metrics

Metric	FY 2014	FY 2013	Growth
Average monthly ARPA (\$)	2,587	1,989	30%
Total listings at June (1)	696,013	733,904	(5%)
Average monthly visits ('000) (2)	40,786	32,696	25%
Paying agents (1)	9,452	9,114	4%
EBITDA (\$m) (3)	232.4	164.7	41%

- ARPA growth driven by increased listing depth penetration (ARPA represents the sum of agency and vendor paid advertising)
- Increased paying agents in improved market conditions
- Increased average monthly visits across all platforms
- Listing depth products coupled with media display success contributed to EBITDA growth
- Small reduction in listings as days on market reduced (4)

Australian visits by platform

Australian average monthly visits



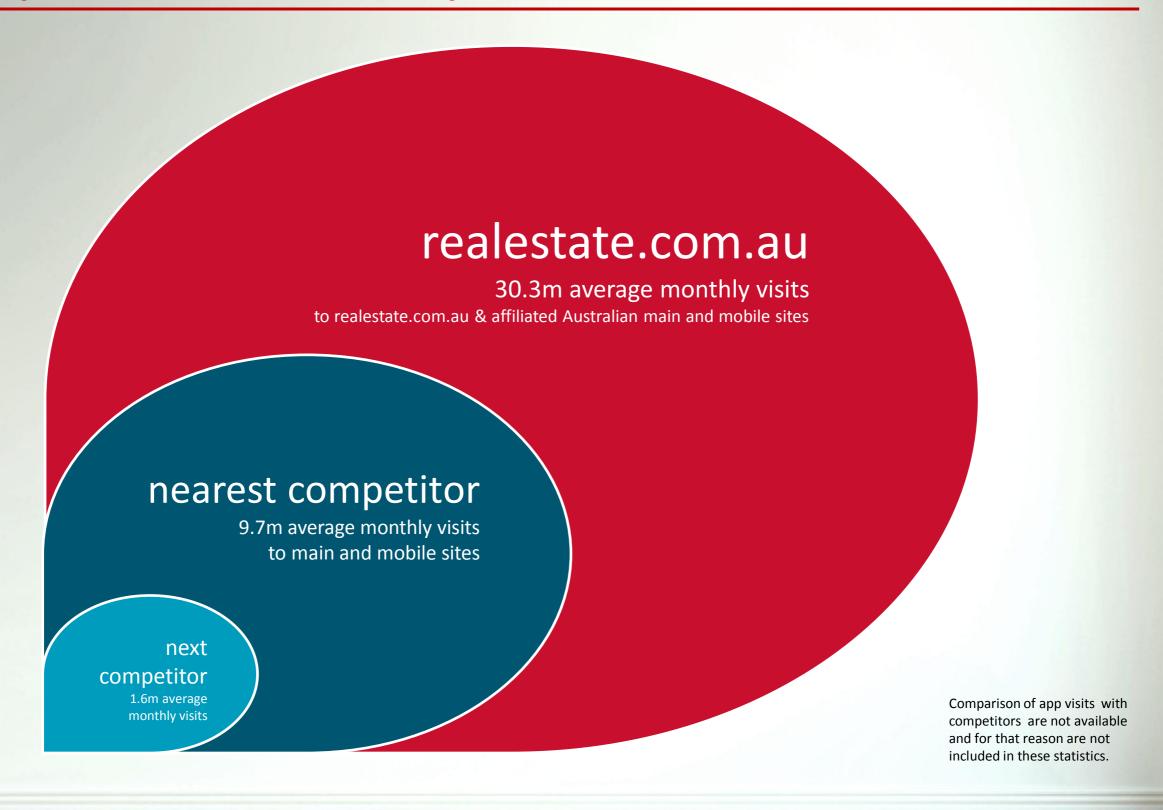
- App visits grew 43%
- Mobile site visits grew 54%
- Listing depth product hierarchy proving to be effective across all platforms
- Increased engagement by consumers has driven growth across all platforms
- Awarded Best Audience Migration to Mobile Technology at the 2013 Australian Mobile Awards
- Awarded AIMIA Award for the realestate.com.au iPad app

Australia - average monthly visits

Platform ('000)	FY 2014	FY 2013	Growth
Main sites (1)	23,013	20,608	12%
Mobile sites (2)	7,249	4,720	54%
Sub total	30,262	25,328	19%
Apps (3)	10,524	7,368	43%
Total	40,786	32,696	25%

(1) Nielsen Online Market Intelligence Home and Fashion Suite Total Traffic for Audited sites average monthly visits for the year ended 30 June for main sites for realestate.com.au, realcommercial.com.au and property.com.au combined (including international traffic to sites). (2) 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. If FY 2013 data was obtained from the same source as the FY 2014 data, the average number of visits for the year ended 30 June 2013 would have been 4,222,000. (3) Adobe Omniture SiteCatalyst average monthly visits for the year ended 30 June for residential and commercial apps visits (including international traffic to apps).

Comparisons of visits to competitors



Australia's lead extends across all metrics

	nearest competitor	outperforming the competition	lead extended year on year ⁽⁵⁾
30.3 MILLION VISITS (1) Average monthly visits to Australian main and mobile sites	9.7m ⁽¹⁾	3.1x	9%
82% Our share of combined minutes spent on real estate portals operated by us and our nearest competitor (2)	18% (2)	4.7x	17%
234,681 Average monthly time on site (000's minutes) for Australian main and mobile sites	49,994 (000's minutes)	4.7x	17%
People spent 7.8 MINUTES on the site (3) Average time per session	5.1 (3) minutes	1.5x	12%

69% of our monthly audience do not visit our nearest competitor (4)

Comparison of app visits with competitors are not available and for that reason are not included in these statistics.

(1) Nielsen Online Market Intelligence Home and Fashion Suite Total Traffic for Audited sites average monthly visits for the year ended 30 June 2014 for the main and mobile sites of realestate.com.au, realcommercial.com.au and property.com.au combined, compared to domain.com.au and commercialrealestate.com.au (mobile site visits for July to December are from the Domestic Report Suite). (2) Nielsen Online Market Intelligence Home and Fashion Suite Total Traffic for Audited sites total time on site for the year ended 30 June 2014 for the main and mobile sites of realestate.com.au, realcommercial.com.au and property.com.au combined, compared to domain.com.au and commercialrealestate.com.au (mobile site time for July to December are from the Domestic Report Suite). (3) Total time on site from note 2 above, divided by average monthly visits from note 1 above. (4) Nielsen Online Ratings, June 2014. (5) Utilising current year methodology and applying to prior year results, this result is the growth in "out performing the competition" year on year.

Italy

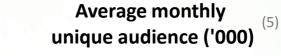
Revenue by advertising category

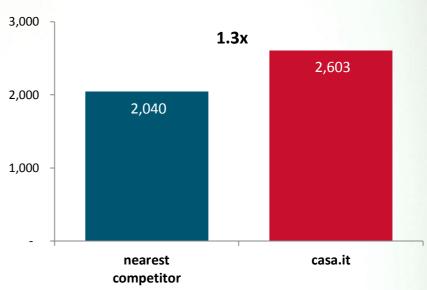
Categories (€'m)	FY 2014	FY 2013	Growth
Subscription revenue (1)	17.3	16.4	5%
Listing depth revenue (1)	1.4	0.5	169%
Media, Developer & other (1)	1.9	2.8	(31%)
Total revenue	20.6	19.7	4%
EBITDA (2)	0.0	1.3	(97%)

Key metrics

Metric	FY 2014	FY 2013	Growth
Average monthly ARPA (€)	136	126	8%
Listings ('000) (3)	645	626	3%
Average monthly visits ('000) (4)	8,976	7,773	15%
Paying agents (3)	10,996	10,316	7%







- casa.it is Italy's leading property site
- Average unique audience 1.3 times greater than nearest competitor
- Total revenue growth of 4% achieved in a challenging market
- Media display reduction resulting from economic conditions and limited developer activity
- EBITDA reduction resulting from investment in depth product developments and strict enforcement of bad debts policy
- Average monthly visits grew 15%

Luxembourg, France & Asia

Luxembourg & France

Metrics	FY 2014	FY 2013	Growth
Total revenue (€m)	8.4	6.9	23%
EBITDA (€m) (1)	3.5	2.7	29%
Average Monthly ARPA (€)	601	505	19%
Average Monthly Visits (000's) (2)	885	798	11%

- atHome.lu is Luxembourg's leading property site
- ImmoRegion.fr expansion in northern regions of France
- Revenue growth of 23% driven by success of listing depth products
- Average monthly visits grew 11%



Hong Kong & China

Metrics	FY 2014	FY 2013	Growth
Total revenue (HK\$ m)	18.1	16.2	12%
EBITDA (HK\$ m) (1)	(8.3)	(0.2)	*
Average Monthly ARPA (HK\$)	7,340	7,080	4%
Average Monthly Visits (000's) (3)	508	345	47%

- Revenue growth of 12% in subdued market due to government cooling measures
- Average monthly visits inclusive of myfun.com from January
- Visits grew 47% as a result of marketing investment and launch of myfun.com
- EBITDA impacted by FX on capital management loan, significant investment in myfun.com and marketing
- Partnership with China's largest property portal SouFun (now fang.com)
 extending our customers' reach



- (1) FY 2013 segment EBITDA has been re-mapped to be inclusive of the FX impacts on revenue / operational expenses and is consistent with FY 2014.
- (2) 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).
- (3) 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).
- * Result not meaningful

Financial comparatives

Group results	FY 20	010	FY 20	011	FY 20)12	FY 20)13	FY 20	014
	\$'000	Growth								
Revenues from continuing operations	194,335	16%	238,401	23%	277,613	16%	336,460	21%	437,459	30%
Operating expenses	(116,348)	10%	(135,220)	16%	(151,631)	12%	(172,527)	14%	(212,353)	23%
EBITDA (1)	77,987	25%	103,181	32%	125,982	22%	163,933	30%	225,106	37%
EBITDA Margin	40%		43%		45%		49%		51%	
Depreciation and amortisation expense	(7,088)	(4%)	(10,489)	48%	(15,184)	45%	(18,670)	23%	(21,208)	14%
EBIT (2)	70,899	50%	92,692	31%	110,798	20%	145,263	31%	203,898	40%
EBIT Margin	36%		39%		40%		43%		47%	
Net finance income	1,064		4,594		7,652		9,245		9,299	
Earnings before tax	71,963	52%	97,286	35%	118,450	22%	154,508	30%	213,197	38%
Income tax expense	(22,597)		(29,781)		(31,668)		(44,762)		(63,316)	
Profit from continuing operations	49,366	72%	67,505	37%	86,782	29%	109,746	26%	149,881	37%
Earnings per share (cents)	39.1	53%	53.1	36%	66.2	25%	83.3	26%	113.7	36%
Dividend per share (cents)	16.0	60%	26.0	63%	33.0	27%	41.5	26%	57.0	37%

⁽¹⁾ FY 2013 segment EBITDA has been re-mapped to be inclusive of the FX impacts on revenue / operational expenses and is consistent with FY 2014

⁽²⁾ FY 2009 EBIT was impacted by \$8.0m impairment charge resulting in significant FY 2010 growth

Performance by country

Country results (\$'00	00 AUD)	FY 2014	FY 2013	Growth
Revenue	Australia	392,238	300,933	30%
	Italy ₍₁₎	30,377	24,821	22%
	Luxembourg (1)	12,481	8,673	44%
	Hong Kong	2,363	2,033	16%
	Total	437,459	336,460	30%
EBITDA (2)	Australia	232,351	164,730	41%
	Italy	48	1,626	(97%)
	Luxembourg	5,177	3,434	51%
	Hong Kong	(1,172)	(27)	*
	Corporate (3)	(11,298)	(5,830)	94%
	Total	225,106	163,933	37%
EBITDA Margin	Australia	59%	55%	
	Italy	0%	7%	
	Luxembourg	41%	40%	
	Hong Kong	(50%)	(1%)	
	Total	51%	49%	

⁽¹⁾ Weakening of AUD compared to EURO from comparative period has positively impacted revenue in Italy and GLR by \$3.9m and \$1.6m respectively

⁽²⁾ FY 2013 segment EBITDA has been re-mapped to be inclusive of the FX impacts on revenue / operational expenses and is consistent with FY 2014

⁽³⁾ Corporate allocations increased from comparative period as result of increase in running costs and strategic group initiatives

^{*} Result not meaningful

Product development



Agent Profiles – coming soon in FY 2015

- Empowers consumers by helping them select the right agent to sell their home –
 67% of potential vendors say this is the most stressful part of selling their property
- Empowers agents to provide rich information to build their brand and win new listings
- Agent Profiles display an agent's unique information on realestate.com.au including current listings for sale and for rent, the agent's sales history, and video content giving an insight into their skills and personality
- Agent Profiles enhances our existing 'Find an Agent' agency profiles



Neighbourhoods – launched November 2013

- Suburb profiles showcasing local areas and providing consumers with information including average prices, supply and demand data and suburb demographics
- Offers insights into the cultural identity of a suburb to enable more informed decision-making



Invest - launched March 2014

- Provides extensive property market data
- Features information and suburb comparisons of price growth and rental yield to help potential investors with investment decisions

Initiatives

Connections – coming in FY 2015

- Assists consumers to compare and connect to services such as finance, electricity, telecommunications, and entertainment
- Focus on automation of the process enabled by our 1Form acquisition, making the property process simple, easy and stress free

Sold data products - launched June 2013

- Provides sold price data to inform consumers of market conditions
- Helps stimulate the market by educating consumers and increasing their confidence to transact
- Visits to the sold section in June 2014 increased 119% compared to June 2013

Training and education

- Delivery of a comprehensive education and training program for agents around Australia
- Includes CLICK events a national education series for real estate agents that attracts more than 1,500 delegates around the country, including regional areas.

Extended reach

- Launched myfun.com site for Chinese property buyers in January 2014
- Continue to maximise our audience through new partnerships with SouFun (now fang.com) in China and APN in Australia

Connections by











Awards & achievements

- 2014 AIMIA Award for Best of Tablet Publisher for realestate.com.au iPad app
- 2013 Australian Mobile Awards Best Audience Migration to Mobile Technology for realestate.com.au
- Employer Award in the 2013 Women in Media Awards
- Forbes Asia 'Top 200 Best Under A Billion'. REA Group is one of only 11 Australian companies to make the list in 2013.

- 88% engagement: Australian employee engagement score puts REA in the top 5% of companies surveyed (1)
- 3.2m + IOS and Android app downloads (2)
- #propchat: 39,000 + Twitter followers (3)
- Legal Team of the Year (small) announced at the 2013
 Australian Corporate Lawyers Association (ACLA) In-house
 Lawyer Awards.

















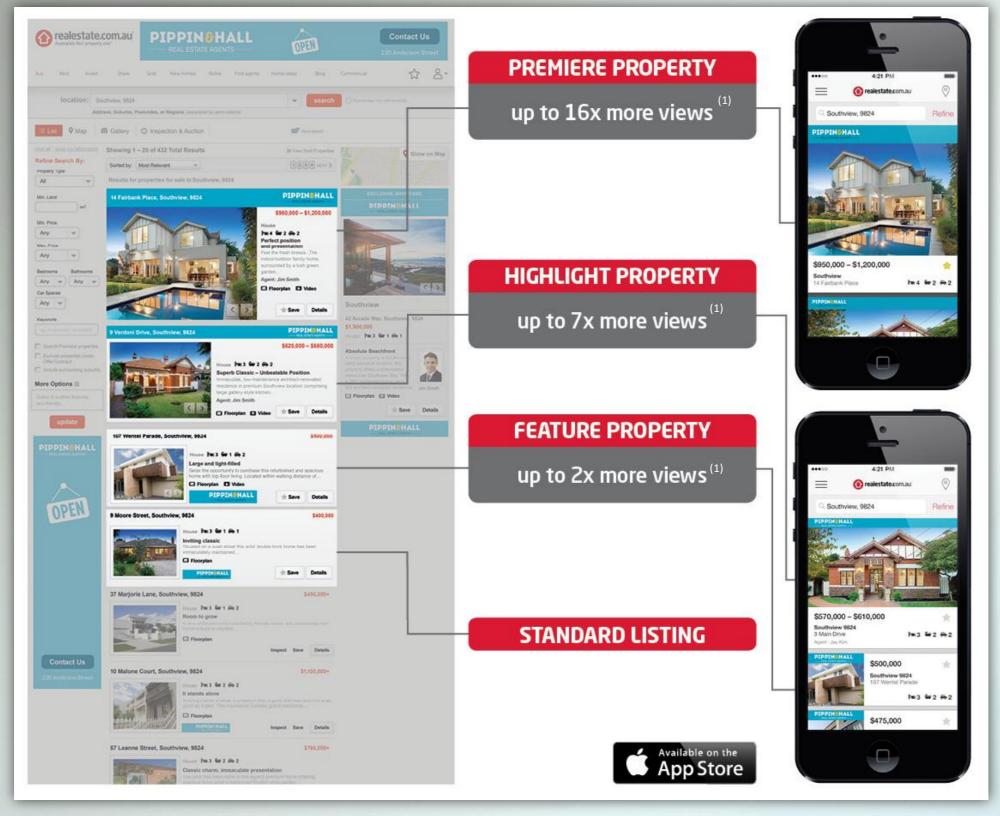
⁽¹⁾ Towers Watson 2013 independent employee engagement study (600+ companies surveyed).

⁽²⁾ Apple iTunes Store (IOS) & Google Play (Android) downloads as at 30 June 2014 for residential and commercial apps.

⁽³⁾ https://twitter.com/realestate_au as at 30 June 2014.

Appendix: Key Australian products

Residential product hierarchy

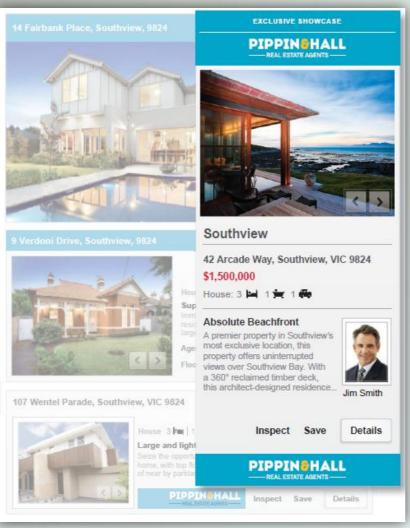


Other residential products

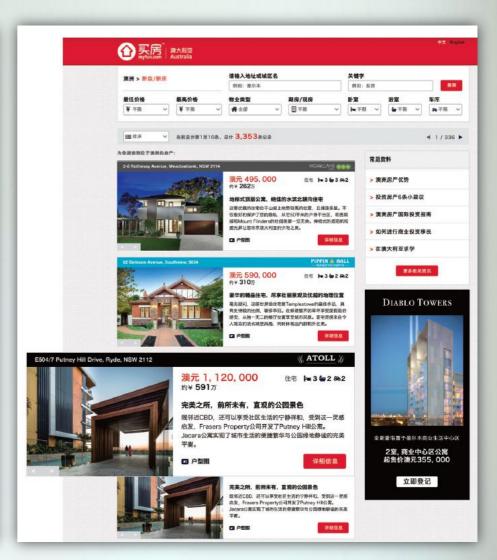
eBrochure



Exclusive showcase



MyFun



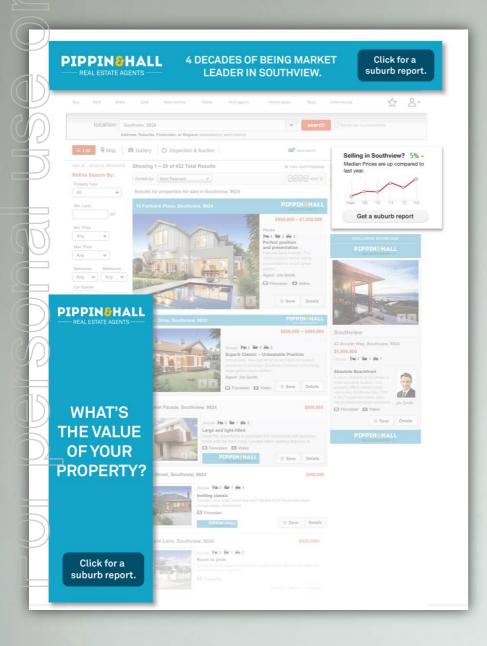
Boost interest in your property

Seize prime position in your suburb

Maximise exposure to overseas buyers

Agent focus

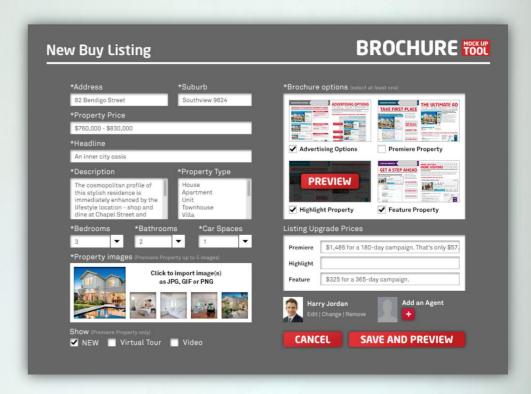
Lead generator



Agent Profiles



Brochure mock up tool



Create vendor brochures personalised for each listing presentation

Own leads in your suburb

Coming in FY 2015 Be the 'go to' agent in your area

Commercial & Developer products





MORE **VIEWS** THAN A BASIC LISTING ⁽¹⁾

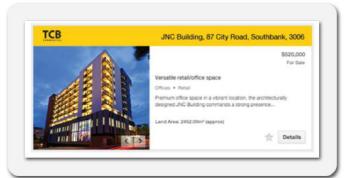




Elite



MORE **VIEWS** THAN A BASIC LISTING ⁽¹⁾





Enhanced



MORE **VIEWS**THAN A BASIC LISTING



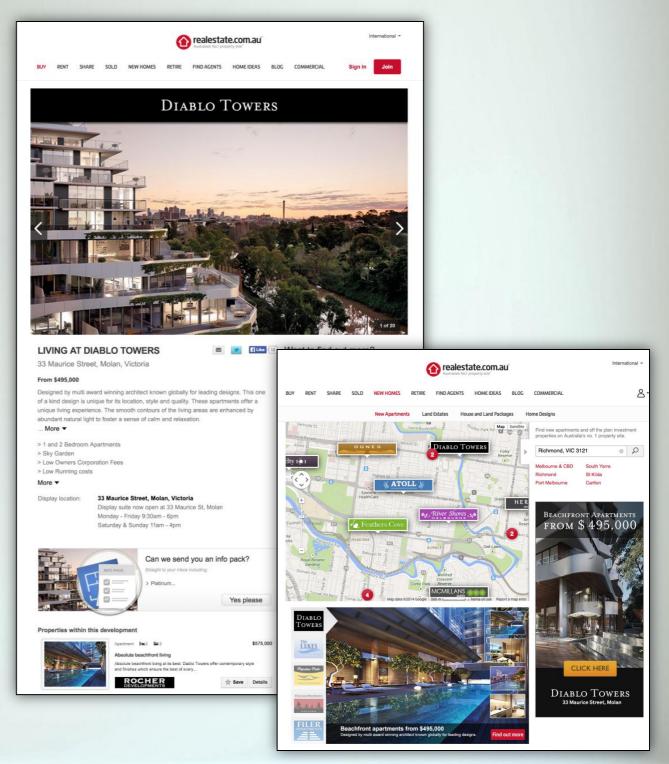


Basic





Project profiles





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