



## Half Year Results: 30 June 2013

August 2013

# Company overview



iProperty Group Limited provides online advertising and other complementary products to real estate agents and property developers in key Asian markets. These products are primarily marketed under the [iProperty.com](https://www.iproperty.com) umbrella brand.

# Company overview

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The iProperty Group is focused on its core markets of Malaysia, Hong Kong / Macau, Indonesia and Singapore where it has market leadership. In addition the iProperty Group retains investments in India and recently re-launched its website in the Philippines.



The iProperty Group strives to provide consumers searching for property across the region with the best possible user experience, with an increasing emphasis on mobile access to the iProperty Group's network of property portals.

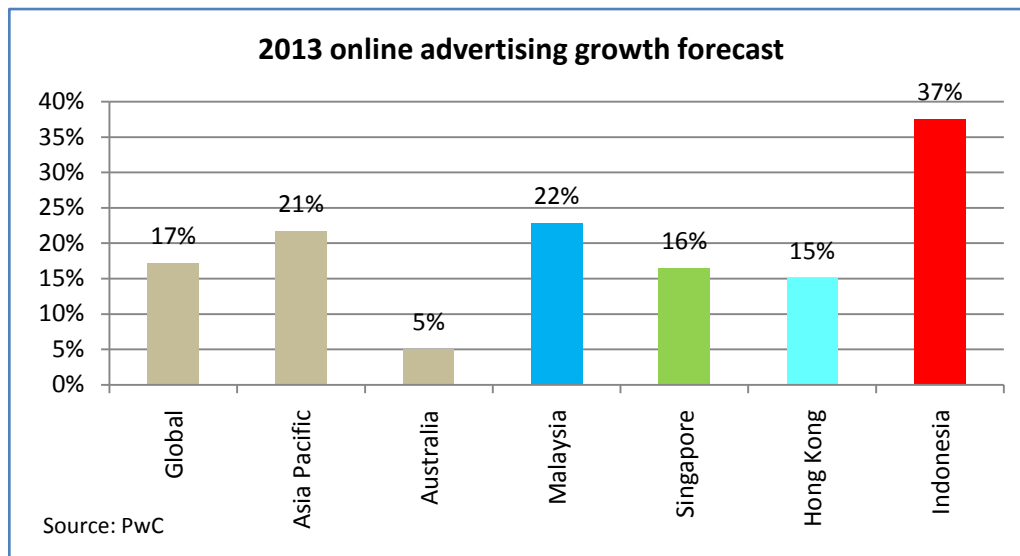
In parallel the iProperty Group focuses on developing long term customer relationships with an emphasis on lead generation and partnering its customer's in the growth of their business.

# iProperty operates in markets with close to US\$1.0 billion spent on property advertising and growing – 77% from property developers

Estimated Asian Property Marketing Outlays – All Media								
USD (million)	2009	2010	2011	2012	2013	2014	2015	2016
Malaysia								
Agent	50	55	60	64	68	70	72	74
Developers	180	185	185	190	192	197	199	205
<i>Total</i>	<i>230</i>	<i>240</i>	<i>245</i>	<i>254</i>	<i>260</i>	<i>267</i>	<i>271</i>	<i>279</i>
Singapore								
Agent	40	44	45	47	49	50	52	53
Developers	140	145	145	145	149	152	155	156
<i>Total</i>	<i>180</i>	<i>189</i>	<i>190</i>	<i>192</i>	<i>198</i>	<i>202</i>	<i>207</i>	<i>209</i>
Hong Kong								
Agent	60	62	64	66	66	67	67	69
Developers	250	260	240	270	275	275	280	280
<i>Total</i>	<i>310</i>	<i>322</i>	<i>304</i>	<i>336</i>	<i>341</i>	<i>342</i>	<i>347</i>	<i>349</i>
Indonesia								
Agent	20	25	27	29	30	32	32	34
Developers	70	70	75	80	82	85	85	87
<i>Total</i>	<i>90</i>	<i>95</i>	<i>102</i>	<i>109</i>	<i>112</i>	<i>117</i>	<i>117</i>	<i>121</i>
<b>Total</b>								
<b>Agent</b>	<b>170</b>	<b>186</b>	<b>196</b>	<b>206</b>	<b>213</b>	<b>219</b>	<b>223</b>	<b>230</b>
<b>Developers</b>	<b>640</b>	<b>660</b>	<b>645</b>	<b>685</b>	<b>698</b>	<b>709</b>	<b>719</b>	<b>728</b>
<b><i>Total</i></b>	<b><i>810</i></b>	<b><i>846</i></b>	<b><i>841</i></b>	<b><i>891</i></b>	<b><i>911</i></b>	<b><i>928</i></b>	<b><i>942</i></b>	<b><i>958</i></b>

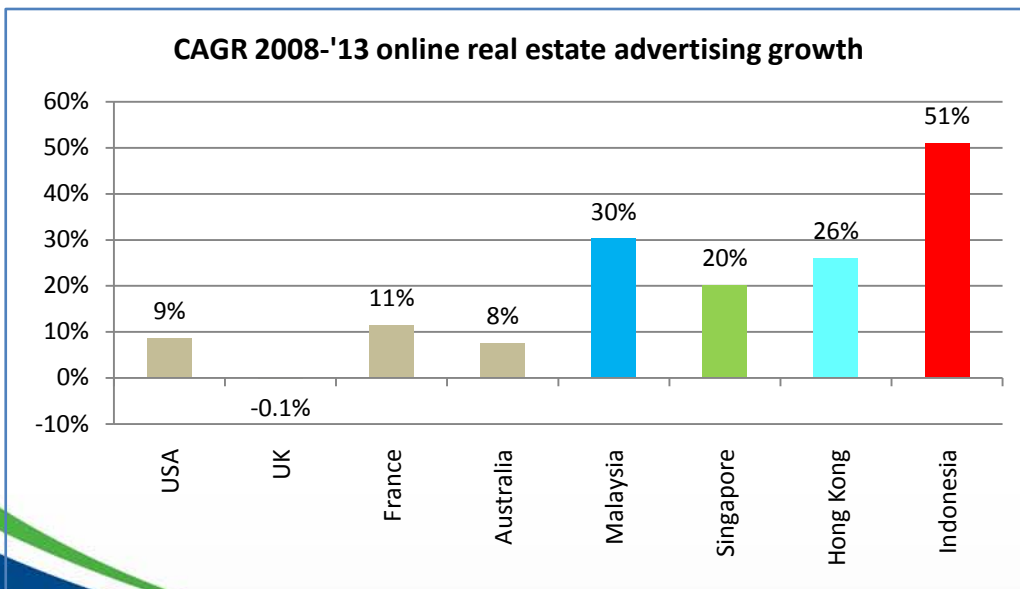
\*Source Data: Nielsen Research, Zenith Optimedia, Frost & Sullivan

# All online advertising forecast to grow rapidly in 2013 with the real estate segment forecast to grow even faster



Online advertising growth continues to significantly outpace all advertising expenditure growth in markets where iProperty operates

Online advertising is forecast to grow at up to 37%

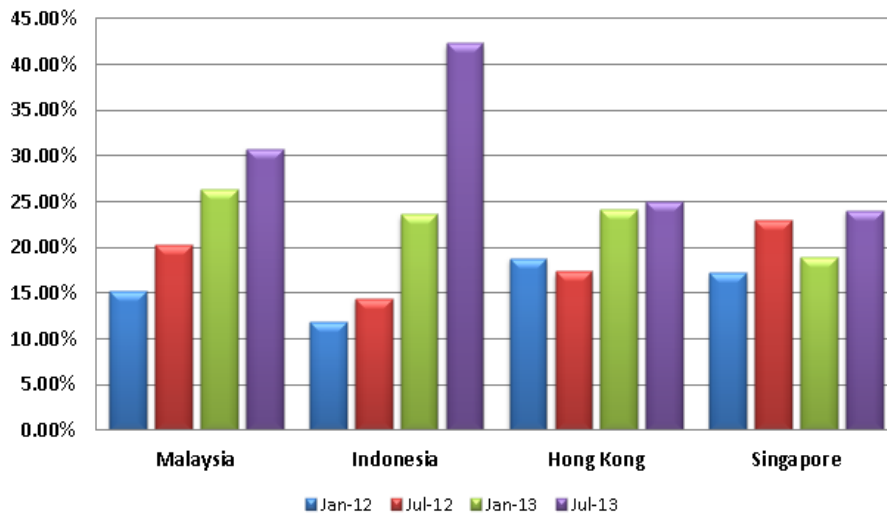


Online Real estate advertising continues to grow at a faster rate than all online advertising

Indonesia growing at 50%+

# iProperty Group has a 'mobile first' focus and develops market leading products to complement every part of the property cycle

**% Visits from Mobile Devices in Each Country**



## iProperty.com - The Media Partner to Grow Your Business



### MOBILE SOLUTIONS

Widely available mobile friendly apps that are available on all mobile devices giving you a convenient platform to reach an additional **300,000** property buyers and investors.



### DIGITAL MEDIA

Cutting edge and leading innovative advertising solutions that capture the attention of more than **4,100,000** property buyers and investors monthly.



### iProperty.com PROPERTY EXPO'S

Reaching out to over **250,000** buyers and investors. iProperty expos are, held numerous times a year, strategically showcases your property.

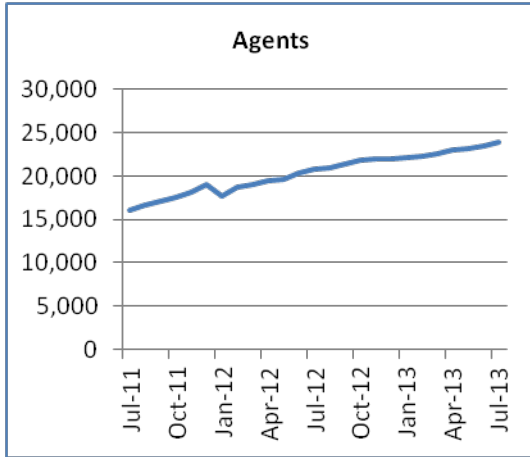


### PRINT

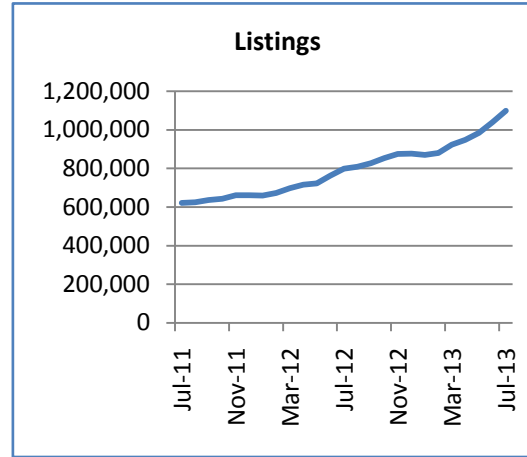
Engage with potentially an additional **200,000** property buyers and investors via our wide array of external and internal print publications.

# At a Group level the business achieved record results in all key metrics, driving customer penetration, user engagement and lead generation

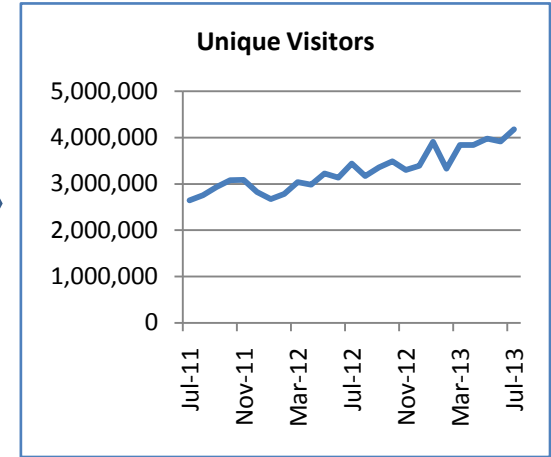
Real estate agents provide



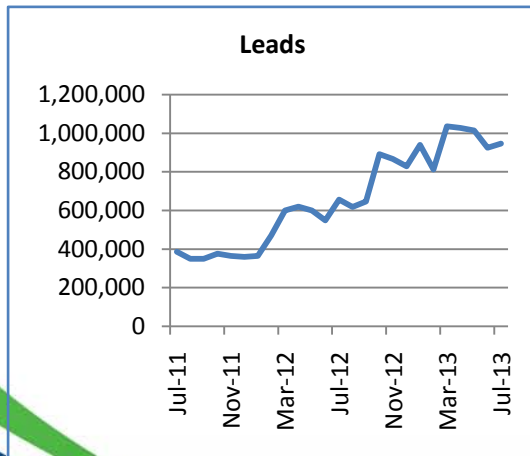
property listings



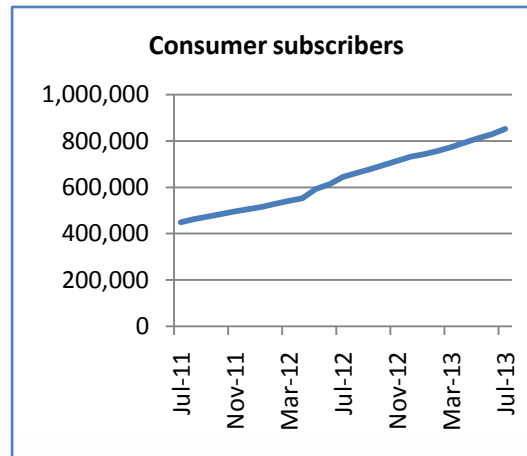
attracting consumers to search



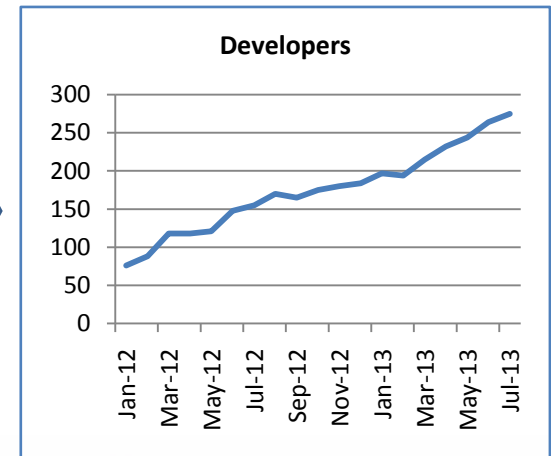
who then generate leads



increasing engagement

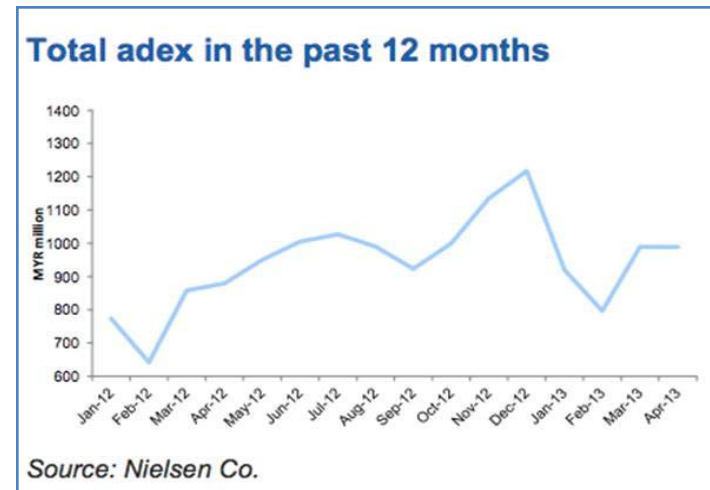
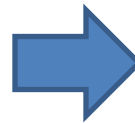
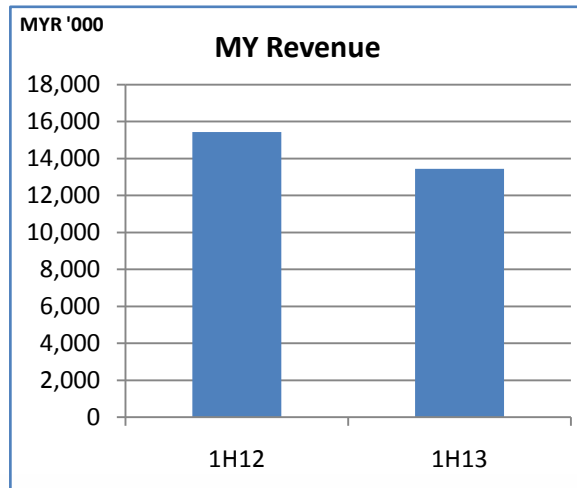
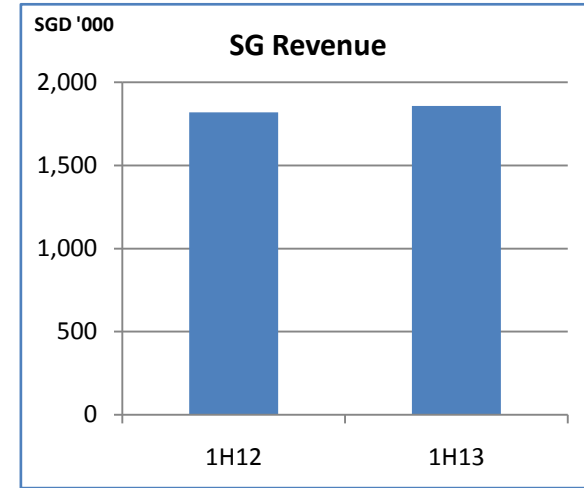
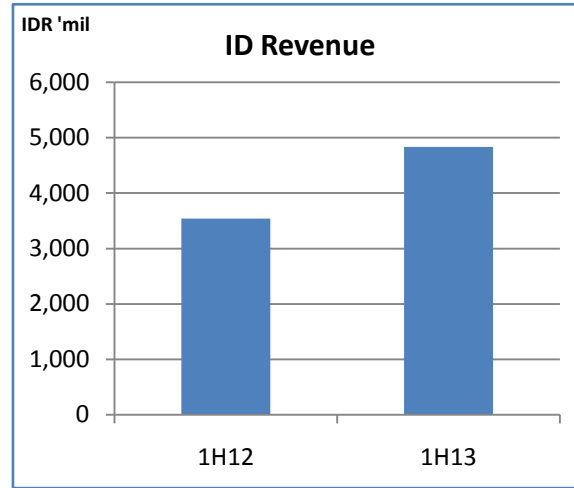
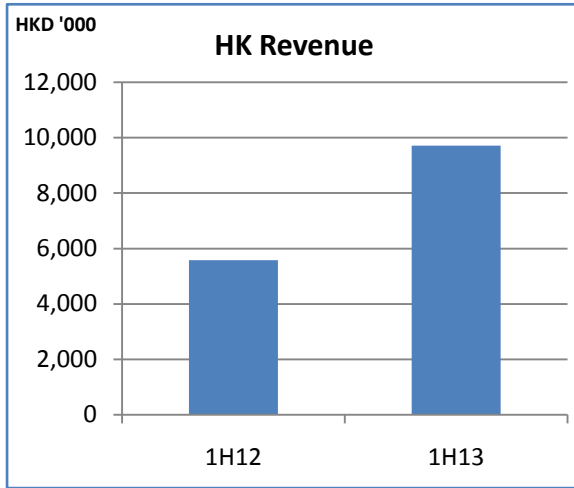


attracting property developers





# Revenue growth continued despite continued Government cooling measures in Hong Kong and Singapore, while the General Election in Malaysia reduced total ad expenditure; timing of expos pushed revenue into the second half





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**Malaysia**



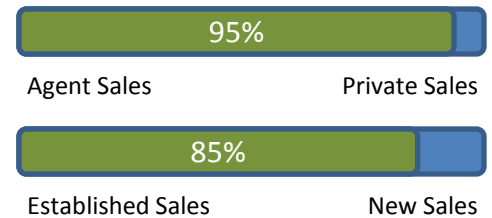
# Malaysia Market Overview

## Country Overview

Population (2012)	29.2m
GDP per Capita	US\$17,100
Stability Index	Moderate
Internet Penetration (2012)	65.8%
Internet Population	19.2m
Total Advertising Spend	US\$3.7bn (2012)
% Total Ad Spend Online	2-4% (2012)
% Total Ad Spend in Print	53.0% (2012)

## Real Estate Market

Agents	15,000 <sup>(e)</sup>
Agencies/offices	1,392 <sup>(e)</sup>
Developers	1,003
Developments	6,000
Commission Rate	2 - 3%



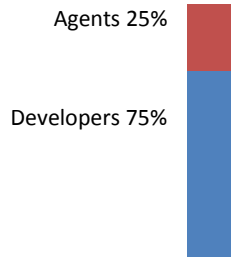
### Comments

- Property not represented exclusively
- Low barriers to entry for sales people therefore low skill levels , no licences
- Emerging industry & growing use of technology

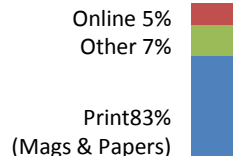
## Real Estate Advertising Market

Total Spend (2012)	US\$254m <sup>(e)</sup>
Y on Y Change	5- 6 %

### By Advertiser



### By Media



## Online Real Estate Advertising Market

Total Online Spend	US\$14.0m <sup>(e)</sup>
% Total Spend	~5 - 6%
Y on Y Change	Unknown

### Comments

- iProperty.com.my dominant market leader in Malaysia
- Profitable and growing
- Moving focus from subscription to Depth products for agents
- Developers moving to annuity style of products augmenting campaigns
- Majority of revenues from developer segment and growing

Source: Interviews with iProperty, fullhouse; CIA World Fact Book; Internet World Stats; Jane's Information Group; Malaysian Government Data; ZenithOptimedia, internet world stats.

# Malaysia – dominant market leader, driving profitability

- 1** Dominate the agent landscape  Agent revenue up 37% on 1H12.  
Real time listings driving revenue
- 2** Win the consumer battle  Clear leader with consumers  
Growing gap to #2
- 3** Capture the developer market  Developers moving to subscription  
model, now 65% of revenue
- 4** Profitable business  Driven by continued revenue  
growth, with cost base reducing

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**Hong Kong**



# Market Overview

## Country Overview

Population (2012)	7.2m
GDP per Capita	US\$52,300
Stability Index	Moderate
Internet Penetration (2012)	74.5%
Internet Population	5.3m
Total Advertising Spend	US\$5.3bn (2012)
% Total Ad Spend Online	7.0% (2012)
% Total Ad Spend in Print	45.0% (2012)

## Real Estate Market

Agents	35,254		
Agencies/offices	2,840		
Developers	20 significant	Agent Sales	Private Sales
Developments (2012)	30		
Commission Rate	1% to 4% for new property		
		Established Sales	New Sales

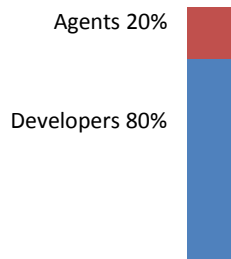
### Comments

- Agency business dominated by big 4– Midland + HK Property, Centaline + Ricacorp
- Generally volatile as property is almost traded like a commodity in the market
- Price often held up on low volume and often driven by mainland buyers
- Very competitive amongst agents with developers focused on the high end luxury

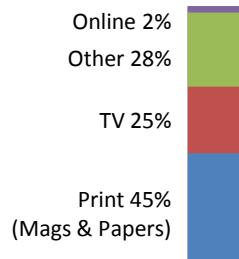
## Real Estate Advertising Market

Total Spend (2012)	US\$336 (e)
Y on Y Change	Unknown

### By Advertiser



### By Media



## Online Real Estate Advertising Market

Total Online Spend	<US\$7m (e)
% Total Spend	~2%
Y on Y Change	Unknown

### Comments

- Gohome.com.hk clear leader in Hong Kong
- Subscription products to agents with growing emphasis on depth product revenue
- Top 4 Agency groups starting to use portals
- Developers slow to migrate online
- 4 of the top 5 developers have started advertising on ghome.com.hk
- Increased reach into China as developers there target Hong Kong consumers

# Hong Kong – market leader, online property spend still emerging

- 1** Dominate the agent landscape  
✓ Agent revenue up 25% on 1H12  
Depth revenue growing
- 2** Win the consumer battle  
✓ Clear leader with consumers  
Growing gap to #2
- 3** Capture the developer market  
✓ Continued penetration of  
developer market
- 4** Profitable business  
WIP Driven by rapid revenue growth  
with prudent cost management

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**Indonesia**

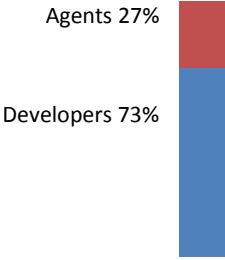
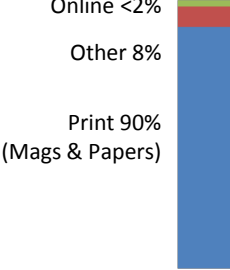




# Indonesia market summary





Country Overview	
Population (2012)	248m
GDP per Capita	US\$5,100
Stability Index	Moderate
Internet Penetration (2012)	19%
Internet Population	47m
Total Advertising Spend	US\$8.16bn (2012)
% Total Ad Spend Online	2-4% (2012)
% Total Ad Spend in Print	41.8%

Real Estate Market		
Agents	15,000 +(e)	
Agencies/offices	10 main groups	
Developers	2,200 (e)	Agent Sales                      Private Sales
Developments	5,000+	
Commission Rate	1%-2%	
		Established Sales                      New Sales
<u>Comments</u>		
<ul style="list-style-type: none"> <li>• No sole agency for the sale of property</li> <li>• Emerging middle class of 40 m ++</li> <li>• Dominated by foreign franchise groups, loose control of their agents</li> </ul>		

Real Estate Advertising Market	
Total Spend (2012)	US\$109 m <sup>(e)</sup>
Y on Y Change	Unknown
<p><u>By Advertiser</u></p>  <p>Agents 27%</p> <p>Developers 73%</p>	
<p><u>By Media</u></p>  <p>Online &lt;2%</p> <p>Other 8%</p> <p>Print 90% (Mags &amp; Papers)</p>	

Online Real Estate Advertising Market	
<u>Comments</u>	
<ul style="list-style-type: none"> <li>• Rumah123.com is the market leader in Indonesia</li> <li>• Early stage subscription model for agents, little emphasis on depth</li> <li>• Industry starting to become more dependent on online advertising</li> <li>• Developers starting to take up online advertising packages</li> <li>• Continued investment</li> </ul>	
Total Online Spend	<US\$3m (e)
% Total Spend	~2%
Y on Y Change	~50% (e)

# Indonesia – land grab phase, market leader, continued investment

- 1** Dominate the agent landscape  60% increase in agent subscribers from 1H12
- 2** Win the consumer battle  32% lead in Unique Visitors in July compared to #2 (Effective Measure)
- 3** Capture the developer market  100% growth in Developer customers from 1H12
- 4** Profitable business  Continued investment in driving growth metrics

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**Singapore**



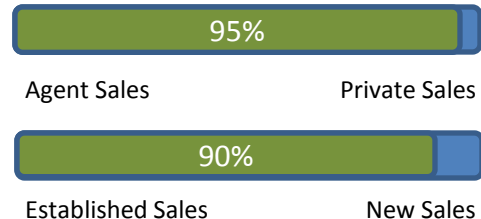
# Singapore market summary

## Country Overview

Population (2012)	5.35m
GDP per Capita	US\$61,400
Stability Index	Moderate
Internet Penetration (2012)	75%
Internet Population	4.0m
Total Advertising Spend	US\$4.3bn (2012)
% Total Ad Spend Online	8-9%
% Total Ad Spend in Print	41.8%

## Real Estate Market

Agents	25,000 <sup>(e)</sup>
Agencies/offices	1,479
Developers	100 <sup>(e)</sup>
Developments	613 <sup>(e)</sup>
Commission Rate	3% Average



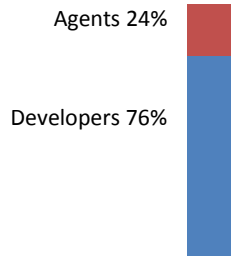
### Comments

- No sole agency for the sale of property
- 80% of population live in Government housing (HDB)
- Each agent is a small business and leverages an agency's brand

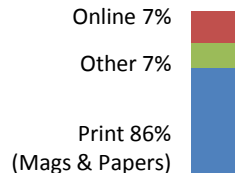
## Real Estate Advertising Market

Total Spend (2012)	US\$192m <sup>(e)</sup>
Y on Y Change	Unknown

### By Advertiser



### By Media





## Online Real Estate Advertising Market

Total Online Spend	<US\$~12m <sup>(e)</sup>
% Total Spend	~7%
Y on Y Change	~50% <sup>(e)</sup>

### Comments

- Iproperty.com.sg now focused on the property developer market
- Print advertising continues to dominate
- Focus on listings volume to drive consumer engagement and depth revenue
- Developers slow to move to online
- Developers account for >75% of advertising

# Singapore – mature market, #2 player

- 1** Secure agent client base  Stabilised Agent base with focus moved to listings volume
- 2** Win the consumers  Consumer focus on new property segment and new launches
- 3** Capture the developer market **WIP** Developer revenue growing as percentage of total revenue
- 4** Profitable business **WIP** Reducing cost base to drive sustainability

# Disclaimer

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The material contained in this presentation is non-specific and is a summary of the background to the company's activities. As this information is in a summary form it is not intended to be complete. Independent advice should be sought by Investors or potential Investors. The material does not take into account the investment objectives, financial situation or needs of a particular investor and therefore should not be relied upon as investment advice to Investors or potential Investors.