



REAGroup

REAGroup Limited Investor and Analyst presentation

Full Year Results
30 June 2016



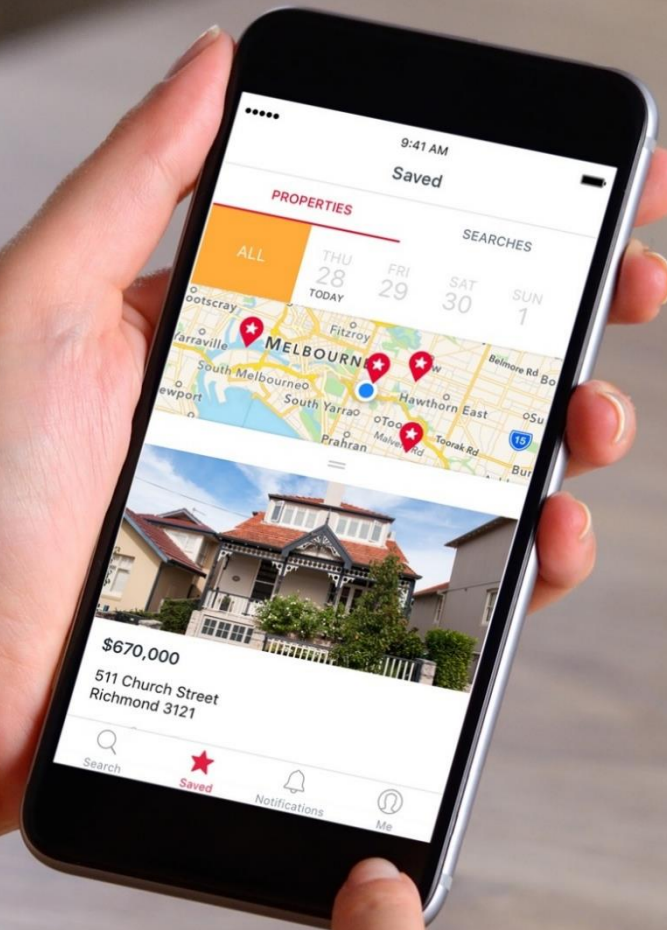


REI Group

Tracey Fellows
Chief Executive
Officer

Delivering on our purpose

Change the way the world
experiences property



Strong growth in all financial metrics

Revenue¹
\$630m
+20%

EBITDA¹
\$347m
+22%

EPS¹
163¢
+16%

NPAT¹
\$215m
+16%

Full year dividend
81.5¢
+16%

Full year highlights



- realestate.com.au is **#1**¹
- **iProperty Group** acquisition
- **Flatmates.com.au** acquisition
- Australian depth revenue **+26%**
- **81%** app visits growth YoY²

1. Source: Nielsen Online Market Intelligence Home and Fashion Suite average monthly visits and unique audience for the audited sites of realestate.com.au compared to domain.com.au, for the year ended 30 June 2016, excludes apps.
2. Source: Adobe Analytics average monthly visits for the realestate.com.au app for the year ended 30 June 2016 compared to the year ended 30 June 2015.




realestate.com.au - Clear market leader

- More than twice the visits of #2 site¹
- Most popular property app²
- 7.0x more Buy section visits³
- Leading customer satisfaction rating⁴
- 86% share of time on site⁵

1. Source: Nielsen Online Market Intelligence Home and Fashion Suite average monthly visits for the audited sites of realestate.com.au compared to domain.com.au for the year ended 30 June 2016, excludes apps. 2. Source: As at 8 August 2016, realestate.com.au is the most used property app in Australia (Nature Brand Tracking, Sample of 1,763 people April 2016 - June 2016) and the only property app in Australia reporting 5.6 million downloads. 3. Source: Experian Hitwise data June 2016 showing visits to Buy section on realestate.com.au compared to domain.com.au. 4. Source: REA Internal Residential Customer Sentiment Monitor April 2016. 5. Source: Nielsen Online Market Intelligence Home and Fashion Suite share of combined average monthly minutes for the audited sites of realestate.com.au compared to domain.com.au for the year ended 30 June 2016, excludes apps.

Largest and most engaged audience

Australia lives here

	realestate.com.au	No. 2 property site	Outperforming the competition
 Visits Average monthly traffic to realestate.com.au ¹	43.8m	20.5m	2.1x
 Time on Site Average monthly total time on site (minutes) ²	253.6m minutes	41.2m minutes	6.1x
 Page Views Average monthly ³	889.0m	176.1m	5.0x

All data: Nielsen Online Market Intelligence Home and Fashion Suite for the audited sites of realestate.com.au compared to domain.com.au, for the year ended 30 June 2016, excludes apps. 1. Average monthly visits. 2. Share of combined minutes. 3. Average monthly page views.

If you're not on realestate.com.au you're not in the market

More properties¹

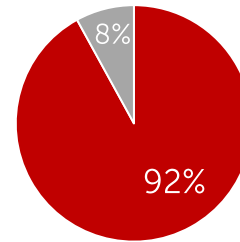


realestate.com.au¹
94%

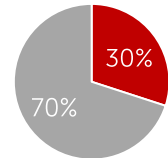
No.2 property site¹
77%

More engaged audience²

realestate.com.au



No. 2 Property Site



■ For Sale Section ■ News Section ■ For Sale Section ■ News Section

If you're not on realestate.com.au you're not in the market.



Strategy for continued growth



PROPERTY ADVERTISING

The foundation of our business remains the online advertising of property listings



PROPERTY RELATED SERVICES

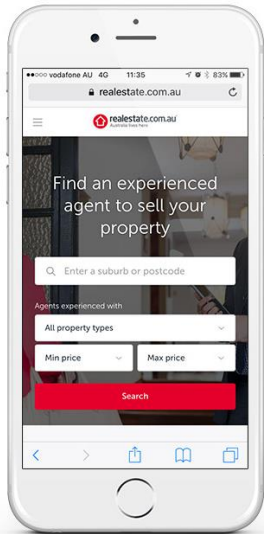
Engaging with people through the entire property journey



GLOBAL

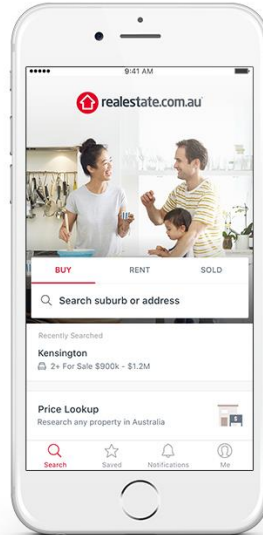
Leveraging global scale, knowledge and capability

Product Innovation



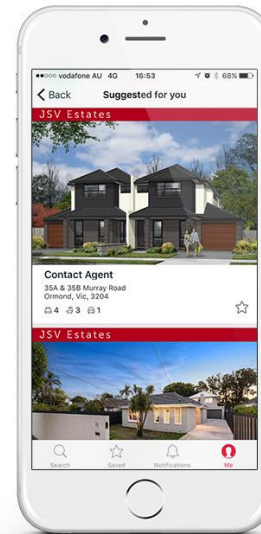
Agent Search

Showcasing agent and agency sales performance to prospective vendors



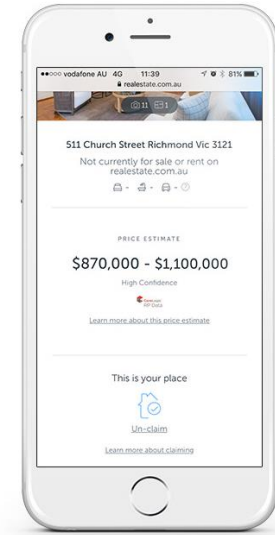
New App Release

Making it simpler, smarter and more personal for consumers to search for property



Suggested Properties

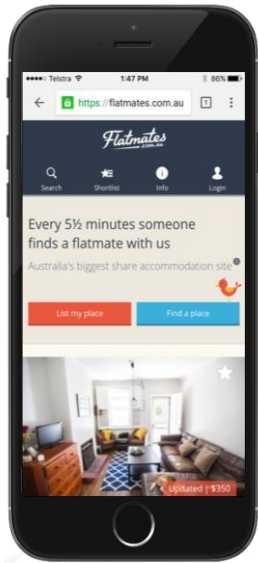
Suggesting properties to consumers based on their interests and search criteria



Claim My Property

Providing industry-leading data and insights to help property owners stay informed

A part of every property conversation



flatmates.com.au

#1 player in Australian Share Accommodation

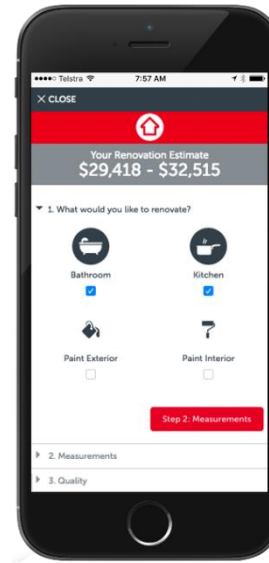
Over 2.0m monthly visits¹



Commercial

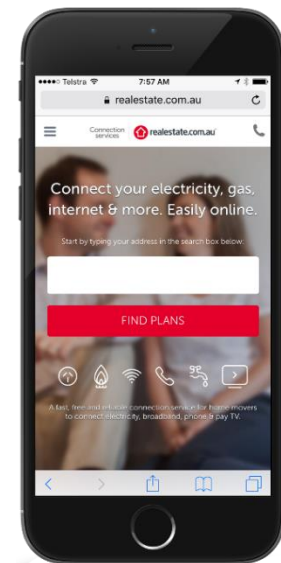
1st Australian commercial property app for Android

78% growth app visits²



Renovation Calculator

Our renovation calculator allows home owners to get past the first hurdle by providing a cost estimate on their dream renovation



Connections

5 consecutive record breaking months³

12x increase in connections³

1. Source: Google Analytics monthly average visits for the year ended 30 June 2016. 2. Source: Adobe Analytics average monthly visits for the app for realcommercial.com.au for the year ended 30 June 2016 compared to the year ended 30 June 2015. 3. Source: REA Internal Data.

Global network



 realestate.com.au[®]

 realcommercial.com.au[®]

Flatmates
com.au

 iProperty Group



 casa.it[®]

 immoRegion.fr

 atHome.lu



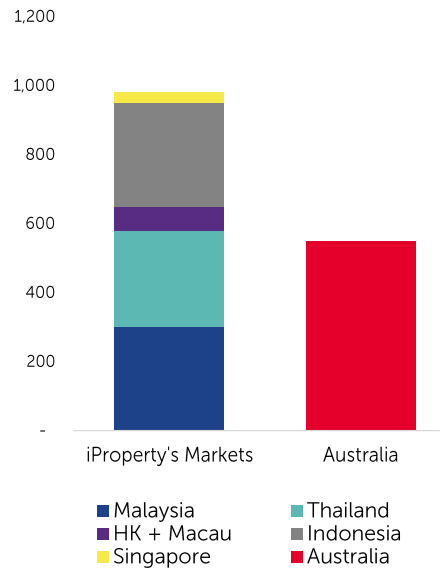
realtor.com[®]

Global highlights – Asia

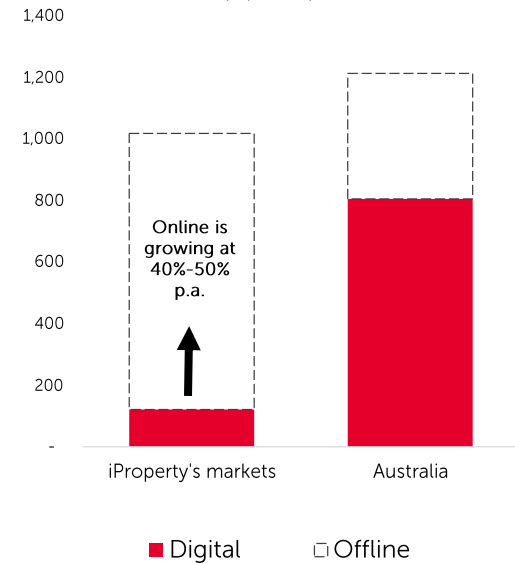


- #1 in Malaysia and the Hong Kong region¹
- Syndication of 50,000+ Australian property listings across Asian sites
- 7.5 million visits across all sites²
- Over 450,000 leads generated each month³

Number of property sales (thousands per annum)⁴



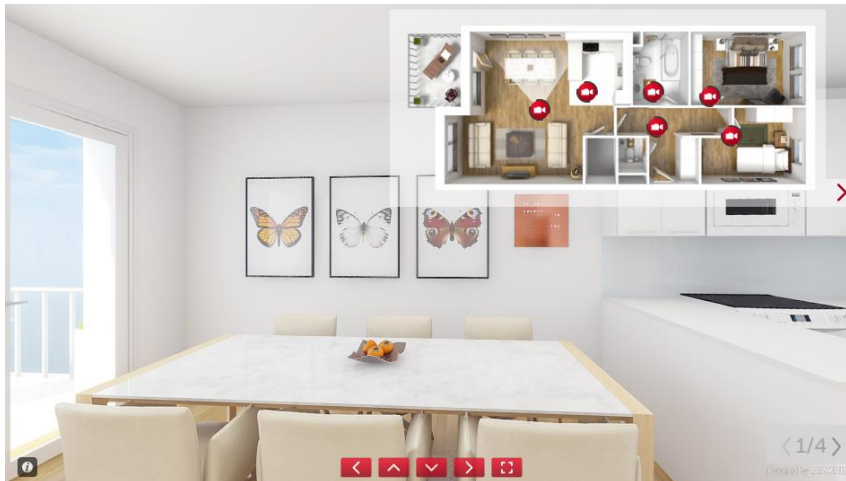
Online real estate advertising as % of total advertising (A\$000's)⁵



1. Source: Similarweb for iProperty sites in Malaysia and Hong Kong at 30 June 2016 compared to the nearest market competitor. 2. Source: Google Analytics average monthly visits for iProperty sites in Malaysia, Hong Kong, Thailand, Singapore and Indonesia for the year ended 30 June 2016 and Adobe Analytics average monthly visits for myfun.com (includes international traffic to site) for the year ended 30 June 2016. 3. Source: REA internal data. 4. Source: Frost and Sullivan (February 2016). 5. Source: Frost and Sullivan (March 2016).

Global highlights – Europe

- Continued growth in listings, agents, visits and page views
- New homepages for Italy and Luxembourg
- Italy
 - New Android and iOS Apps for a unified experience across all devices
 - Introduction of suggested properties
- Luxembourg & France
 - Expansion into regions in France
 - 3D Capability for developers



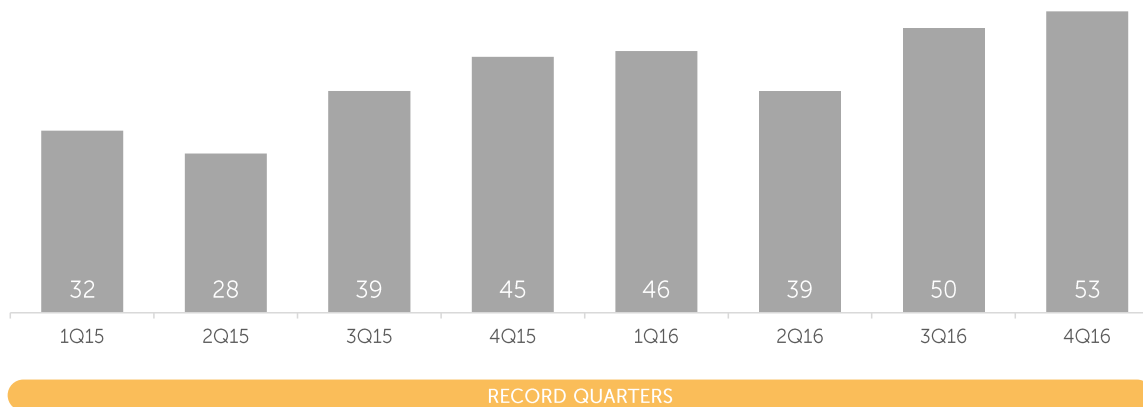
Global highlights – North America

realtor.com® continues to deliver record consumer audience results in FY16

- Growth of 17% to 53m¹ web and mobile site users, driven by growth in mobile users
- Revenue of USD\$357m² driven by continued strength in Connections for Co-Brokerage product and growth in non-listing media revenues and professional software revenues

realtor.com®

realtor.com® Unique Users³



Revenue²
USD\$357m
+27%

Unique Users¹
53m
+17%

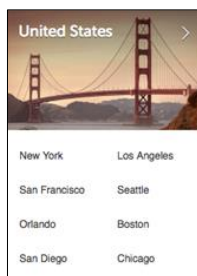
1. Source: Internal Move data includes web, mobile web and native apps for the 3 month period ended 30 June 2016 and 30 June 2015. 2. Source: News Corp Press Release (dated 8 August 2016).

Building the world's largest property network



Global Property Network

- Enables people to search for international property on a platform they already know and trust
- 3 million global listings at launch, the world's largest source of global property¹
- Listings from 56 countries across Europe, the Americas and the Asia-Pacific region
- Giving listings exposure to 200 million visits globally each month²



1. Source: REA Internal Data. 2 Source: Comscore May 2016 visits for realtor.com; Google Analytics June 2016 visits for iProperty websites; Adobe Analytics June 2016 visits for casa.it, atHome.lu, atHome.de, and immoRegion.fr combined (main and mobile site visits, includes international traffic to site); Nielsen Online Market Intelligence Home and Fashion Suite June 2016 visits for the audited site of realestate.com.au (excludes apps).



REX Group

Owen Wilson
Chief Financial
Officer

Operating results

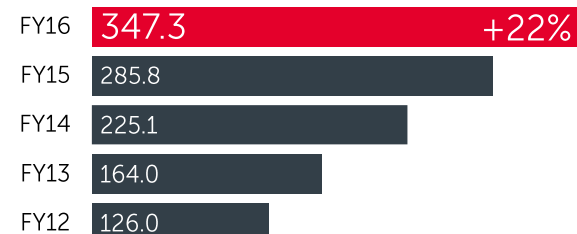
Performance (\$m)	FY 2016	FY 2015	Growth
Revenue			
Australia	555.2	472.8	17%
Europe	50.7	45.6	11%
Asia	23.9	4.5	n/m
Group revenue	629.8	522.9	20%
EBITDA^(1,2)			
Australia	345.9	288.0	20%
Europe	9.1	9.7	(6%)
Asia	9.3	0.6	n/m
Corporate	(16.9)	(12.6)	(34%)
Group EBITDA^(1,2)	347.3	285.8	22%
EBITDA Margin	55%	55%	
NPAT⁽²⁾	214.5	185.4	16%
Cash balance	126.8	78.9	61%
Earnings per share (EPS) cents ⁽²⁾	162.6c	140.6c	16%
Dividends per share (DPS) cents	81.5c	70.0c	16%

Rec to Financial Statements (\$m)	FY 2016	FY 2015	Growth
NPAT from core operations	214.5	185.4	16%
Gain on step acquisition	40.8	-	n/m
Proceeds from settlement of legal case	20.2	-	n/m
IPP Transaction Costs (net of tax)	(8.4)	-	n/m
Share of losses of associates	(13.9)	(7.1)	96%
Tax on sale of financial assets	-	(9.1)	n/m
Gain on sale of financial assets	-	31.2	31%
Gain on sale of discontinued business	-	9.8	n/m
Reported NPAT	253.3	210.2	20%

Revenue (\$m)²



EBITDA (\$m)²



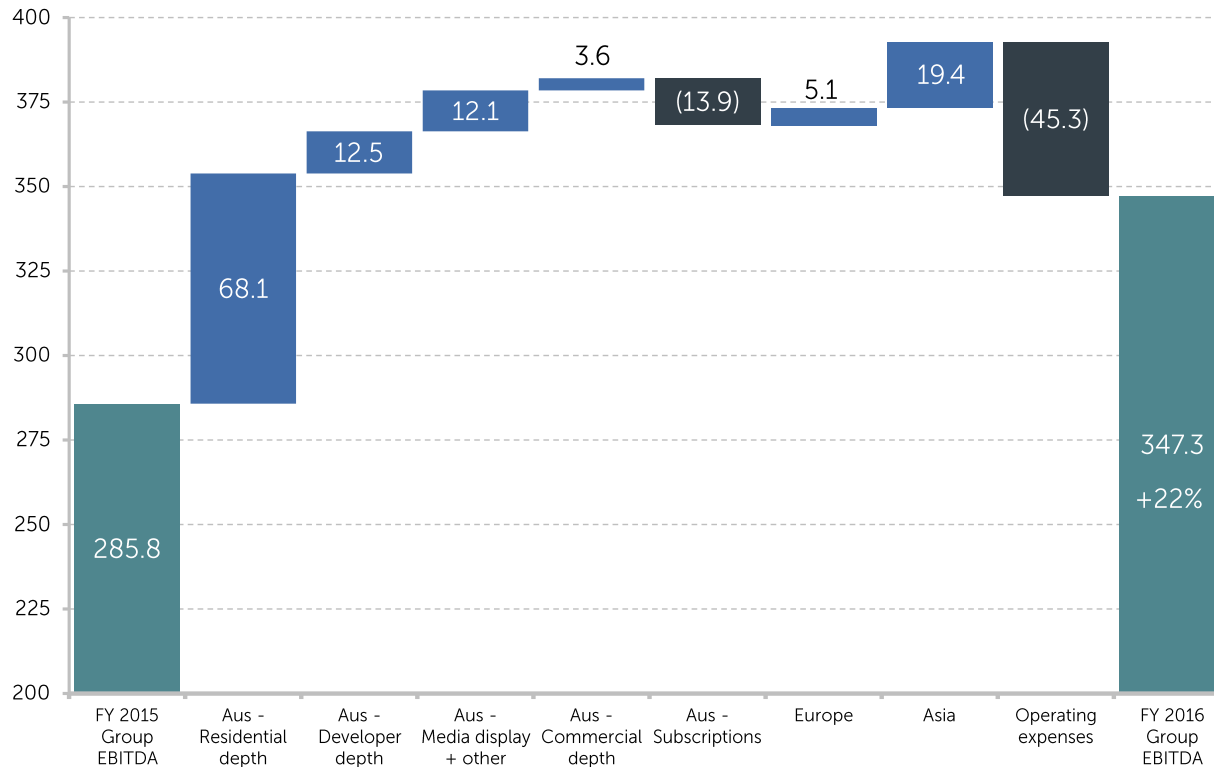
EPS (cents)²



1. Information additional to IFRS measures contained in this presentation is derived from the Annual Financial Report for the year ended 30 June 2016. From core operations excludes share of losses from associates, the step-up gain on acquisition, proceeds from settlement of legal case of associate and transaction costs relating to iProperty and for the year ended 30 June 2015 excludes gain on sale of marketable securities and the sale of the Squarefoot business.

EBITDA growth

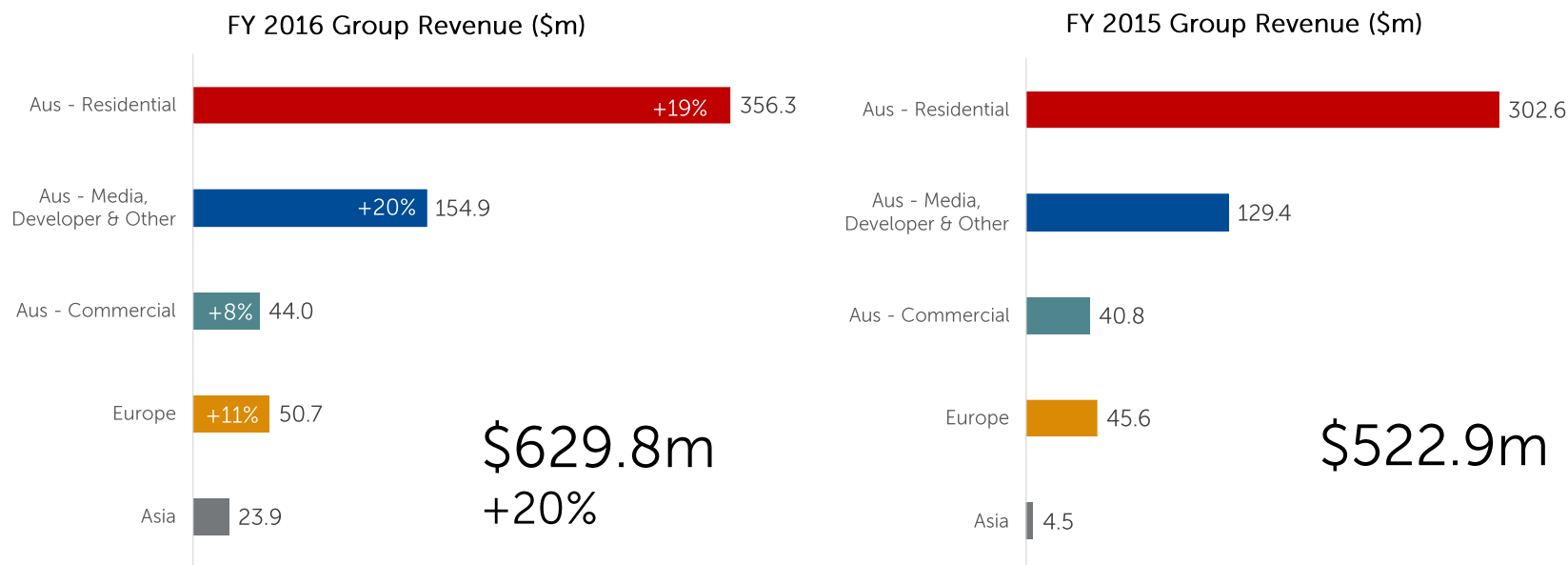
Group EBITDA growth (\$m)



Strong EBITDA¹ growth driven by:

- Strong take up of premium listing products
- Robust developer market drove significant increase in Project Profiles and Advertising
- Revenue growth achieved despite relatively flat listing volumes in the Australian market²

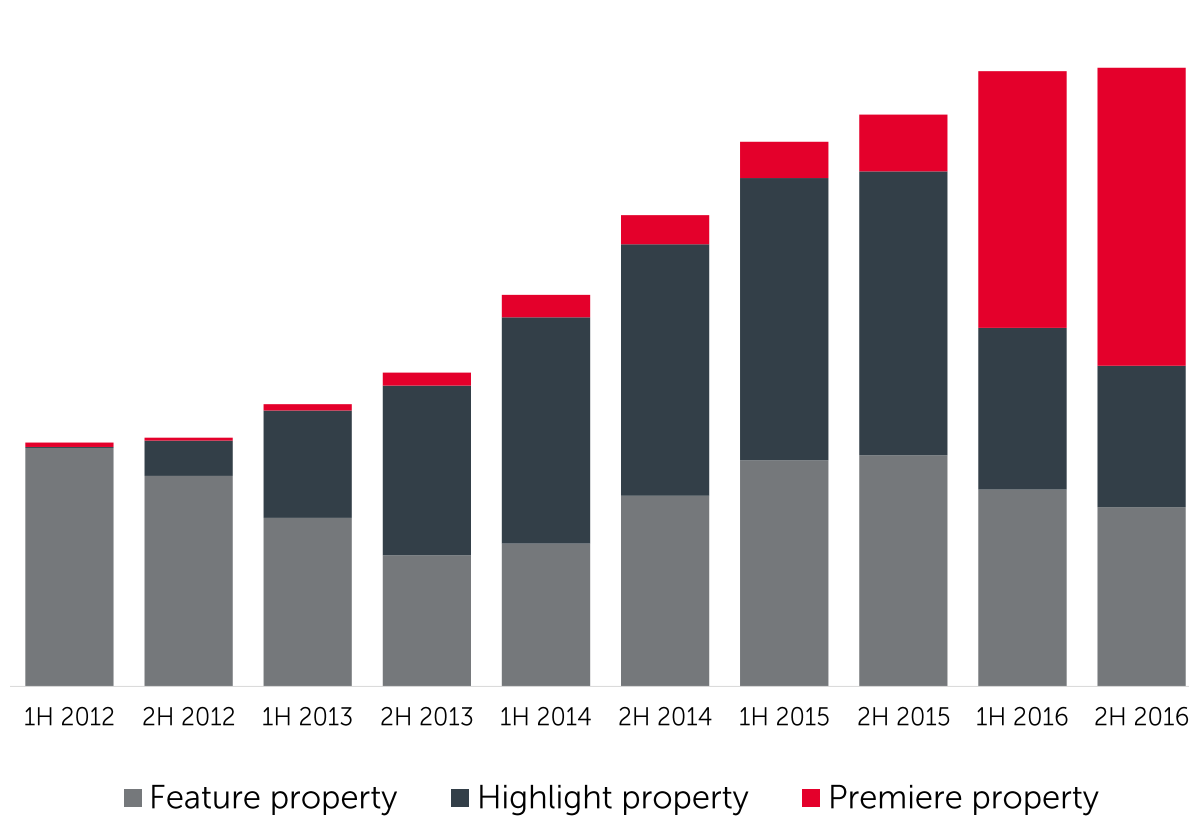
Premium listing products driving revenue growth



Revenue category (\$m)	FY 2016	FY 2015	Growth
Australia			
Listing depth revenue	406.8	322.6	26%
Subscription revenue	55.0	68.9	(20%)
Media display	91.5	79.7	15%
Other	1.9	1.6	19%
Australian revenue	555.2	472.8	17%
Europe	50.7	45.6	11%
Asia	23.9	4.5	431%
Total revenue	629.8	522.9	20%

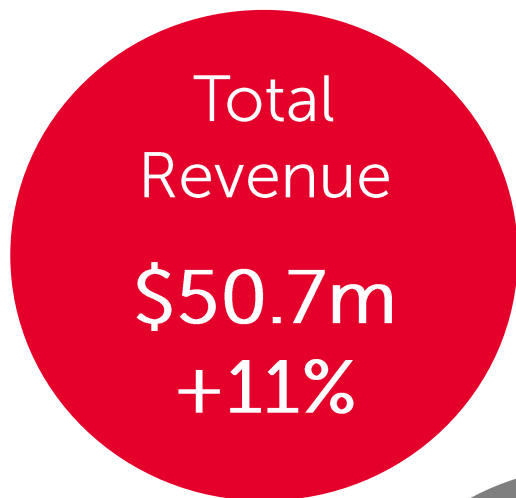
Strong growth in premium listings

Premium Listing Penetration (depth)



- realestate.com.au experienced strong growth in premium listing products despite relatively flat listing volumes in the Australian market¹
- Success of highest yielding premiere listing product providing increased return on investment to agents and vendors

European results



Luxembourg &
France listings¹

+25%

Luxembourg &
France visits²

+18%

Italian visits²

+15%

Italian mobile
unique visitors³

+76%

Italian app
downloads over⁴

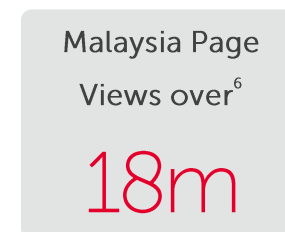
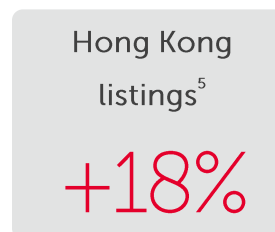
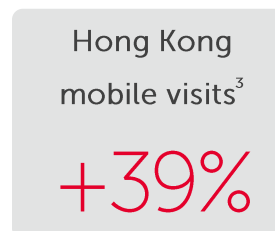
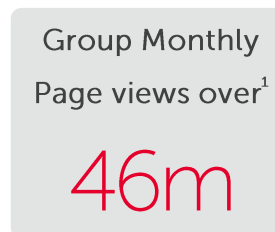
600k

Luxembourg &
France agents¹

+21%

1. Source: REA internal data. 2. Source: Adobe Analytics average monthly visits for the year ended 30 June 2016 for casa.it, atHome.lu, atHome.de, atOffice.lu and immoRegion.fr combined (main and mobile site visits, includes international traffic to site) compared to the year ended 30 June 2015. Note: Due to the recent implementation of the Italian privacy legislation about cookies, consumers can opt out of being tracked by Adobe so these results are not an accurate representation of the total audience. 3. Source: Adobe Analytics average monthly mobile visits for the year ended 30 June 2016 for casa.it, (includes international traffic to site) compared to the year ended 30 June 2015. 4. Source: AppAnnie for IOS and Android; Microsoft Store for Windows to 30 June 2016.

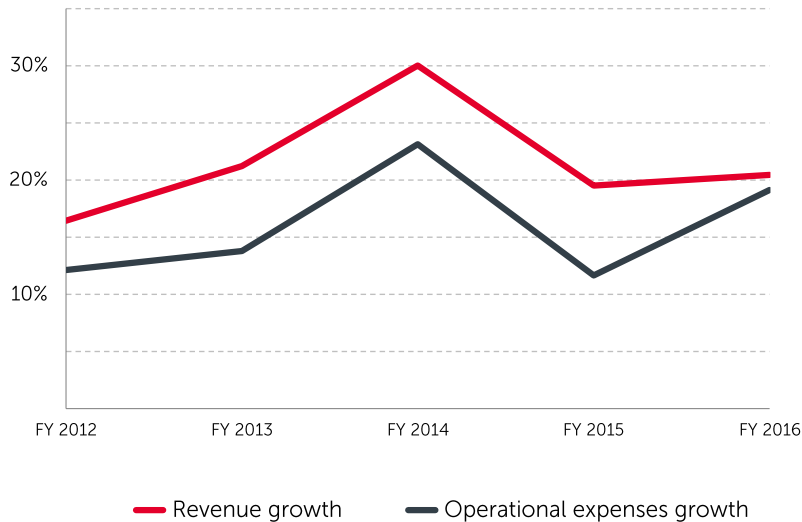
Asia results



1. Source: Google Analytics for the average monthly page views for the combined sites for iProperty Group for the year ended 30 June 2016. 2. Source: Google Analytics for the average monthly visits for the combined sites for iProperty Group for the year ended 30 June 2016 compared to 30 June 2015. 3. Source: Google Analytics for the average monthly mobile visits for the combined sites gohome.com.hk, squarefoot.com.hk, office18.com and House18.com for the year ended 30 June 2016 compared to 30 June 2015. 4. Source: Google Analytics for the average monthly mobile visits for the combined sites rumah123.com and rumahdanproperty.com for the year ended 30 June 2016 compared to 30 June 2015. 5. Source: REA Internal Data. 6. Source: Google Analytics for the average monthly page views for iProperty.com.my and thinkproperty.my for the year ended 30 June 2016.

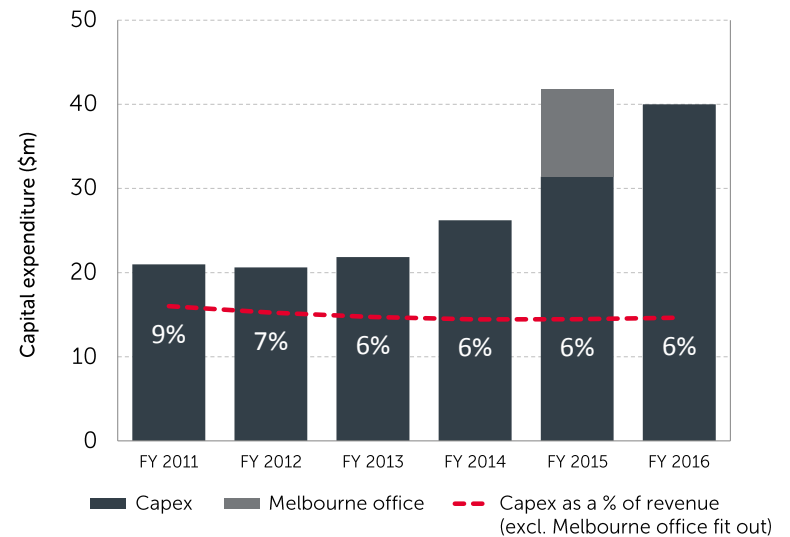
Operating results and capital expenditure

Group operating results growth



EBITDA margin maintained

Group capital expenditure



Continued reinvestment in innovation

Group cash flow

Group cash flow (\$m)





REA Group

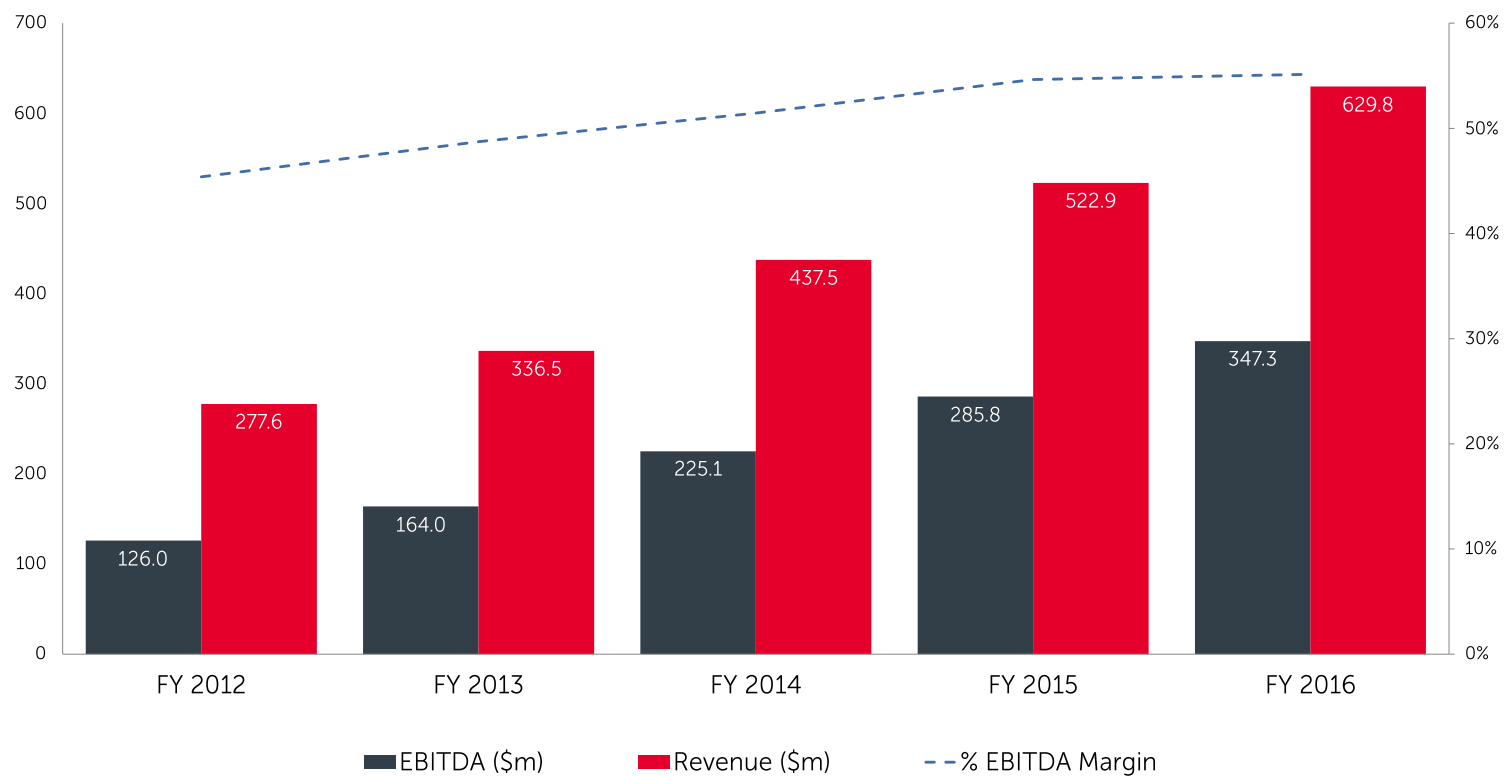
Supplementary
information



Historical Full Year Revenue and EBITDA

Revenue, EBITDA and margin

(core operations)



Financial comparatives

Group results	Core Operations										Financial Statements
	FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2016
	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m
Revenue	277.6	16%	336.5	21%	437.5	30%	522.9	20%	629.8	20%	629.8
Step-up gain on acquisition	-		-		-		-		-		40.8
Total revenue & other income	277.6	16%	336.5	21%	437.5	30%	522.9	20%	629.8	20%	670.6
Operating expenses	(151.6)	(12%)	(172.5)	(14%)	(212.4)	(23%)	(237.1)	(12%)	(282.5)	(19%)	(291.8)
Share of gain of associates	-		-		-		-		-		6.3
EBITDA	126.0	22%	164.0	30%	225.1	37%	285.8	27%	347.3	22%	385.2
<i>EBITDA Margin</i>	45%		49%		51%		55%		55%		
Depreciation and amortisation	(15.2)	(45%)	(18.7)	(23%)	(21.2)	(13%)	(26.9)	(27%)	(34.9)	(30%)	(34.9)
EBIT	110.8	20%	145.3	31%	203.9	40%	258.9	27%	312.4	21%	350.3
Net finance income/(expense)	7.7		9.2		9.3		3.5		(6.5)		(6.5)
Earnings before tax	118.5	22%	154.5	30%	213.2	38%	262.4	23%	305.9	17%	343.8
Income tax expense	(31.7)	(6%)	(44.8)	(41%)	(63.3)	(41%)	(76.9)	(21%)	(91.3)	(19%)	(90.5)
Net Profit	86.8	29%	109.7	26%	149.9	37%	185.4	24%	214.6	16%	253.4
Dividends per share (DPS)	33.0	27%	41.5	26%	57.0	37%	70.0	23%	81.5	16%	81.5
Earnings per share (EPS)	66.2	25%	83.3	26%	113.7	36%	140.6	24%	162.6	16%	192.3

Group results by quarter and half year

RE A Group Core operations (\$m)	Q1				Q2				Q3				Q4			
	FY16	FY15	Mvmt	Growth	FY16	FY15	Mvmt	Growth	FY16	FY15	Mvmt	Growth	FY16	FY15	Mvmt	Growth
Revenue	146.0	121.0	25.0	21%	168.8	140.5	28.3	20%	146.5	122.9	23.6	19%	168.5	138.5	30.0	22%
Operating expenses	(63.6)	(57.5)	(6.1)	(11%)	(65.3)	(59.5)	(5.8)	(10%)	(69.4)	(57.4)	(12.0)	(21%)	(84.2)	(62.7)	(21.5)	(34%)
EBITDA	82.4	63.5	18.9	30%	103.5	81.0	22.5	28%	77.1	65.5	11.6	18%	84.3	75.8	8.5	11%
<i>EBITDA Margin</i>	56%	52%			61%	58%			53%	53%			50%	55%		
Depreciation and amortisation	(7.7)	(6.0)	(1.7)	(29%)	(8.1)	(7.1)	(1.0)	(14%)	(9.2)	(6.6)	(2.6)	(40%)	(9.9)	(7.2)	(2.7)	(38%)
Net finance income/(expense)	0.3	1.9	(1.6)		0.3	1.0	(0.7)		(1.5)	0.2	(1.7)		(5.7)	0.4	(6.1)	
Earnings before tax	75.0	59.4	15.6	26%	95.8	74.9	20.9	28%	66.4	59.1	7.3	12%	68.7	68.9	(0.3)	(0%)
Income tax expense	(23.7)	(18.0)	(5.7)	(32%)	(26.1)	(21.6)	(4.5)	(21%)	(20.0)	(17.7)	(2.3)	(13%)	(21.6)	(19.6)	(2.0)	(10%)
Net Profit	51.3	41.4	9.9	24%	69.7	53.3	16.4	31%	46.4	41.4	5.0	12%	47.1	49.3	(2.3)	(4%)

RE A Group Core operations (\$m)	H1				H2				Full Year			
	FY16	FY15	Mvmt	Growth	FY16	FY15	Mvmt	Growth	FY16	FY15	Mvmt	Growth
Revenue	314.8	261.5	53.3	20%	315.0	261.4	53.6	21%	629.8	522.9	106.9	20%
Operating expenses	(128.9)	(117.0)	(11.9)	(10%)	(153.6)	(120.1)	(33.5)	(28%)	(282.5)	(237.1)	(45.4)	(19%)
EBITDA	185.9	144.5	41.4	29%	161.4	141.3	20.1	14%	347.3	285.8	61.5	22%
<i>EBITDA Margin</i>	59%	55%			51%	54%			55%	55%		
Depreciation and amortisation	(15.8)	(13.1)	(2.7)	(21%)	(19.1)	(13.8)	(5.3)	(39%)	(34.9)	(26.9)	(8.0)	(30%)
Net finance income/(expense)	0.7	2.9	(2.2)		(7.2)	0.6	(7.8)		(6.5)	3.5	(10.0)	
Earnings before tax	170.8	134.3	36.5	27%	135.1	128.0	7.0	6%	305.9	262.3	43.5	17%
Income tax expense	(49.8)	(39.6)	(10.2)	(26%)	(41.6)	(37.3)	(4.3)	(11%)	(91.4)	(76.9)	(14.5)	(19%)
Net Profit	120.9	94.7	26.2	28%	93.5	90.7	2.7	3%	214.4	185.4	28.9	16%

Group cash flow reconciliation

Cash flow reconciliation (\$m)	FY 2016	FY 2015	Growth
EBITDA⁽¹⁾	347.3	285.8	22%
Working capital movement	(15.6)	(10.3)	51%
Interest Paid	(5.2)	(0.2)	n/m
Tax paid	(100.9)	(88.4)	(14%)
Capital expenditure	(40.0)	(41.8)	4%
Other	(4.3)	4.3	(201%)
Free cash flow	181.3	149.4	21%
Purchase of Subsidiaries	(511.6)	-	n/m
Proceeds from Debt	498.0	-	n/m
Investment in Move	(3.1)	(237.4)	99%
Investment in iProperty	(14.2)	(109.1)	87%
Dividends paid	(101.1)	(85.1)	(19%)
Sale/(purchase) of other investments	-	111.7	n/m
Other	(1.4)	(4.4)	69%
Net cash (outflow)	48.0	(174.9)	n/m

(1) Information additional to IFRS measures contained in this presentation is derived from the Annual Financial Report for the year ended 30 June 2016. 2. From core operations excludes share of losses from associates, the step-up gain on acquisition, proceeds from settlement of legal case of associate and transaction costs relating to iProperty and for the year ended 30 June 2015 excludes gain on sale of marketable securities and the sale of the Squarefoot business.

Visit our
investor site at
rea-group.com

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