

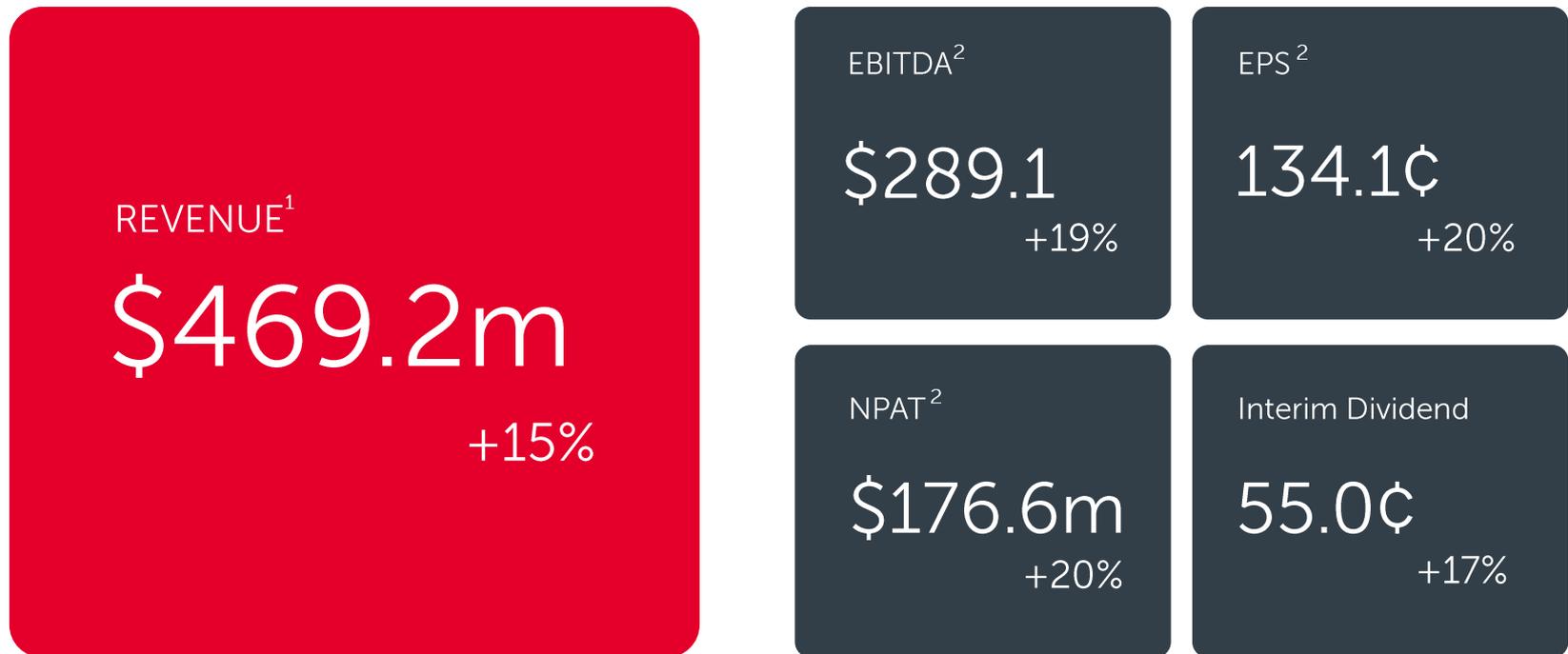
REA Group Limited

Investor & Analyst presentation

Half-year results, 31 December 2018

“Change the way the world experiences property”

Half-year financial metrics



1. Revenue is defined as revenue from property and online advertising and revenue from financial services less expenses from franchisee commissions as disclosed in the Condensed Consolidated Interim Financial Statements as operating income. 2. Financial results from core operations excludes significant non-recurring items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment of goodwill. In the prior comparative period this excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions and the impact of the change in US tax rates on Move, Inc. results.

The largest and most engaged audience



Total visits
73.4m

Average monthly traffic to
realestate.com.au on all platforms¹

more than
2.8x⁵



App launches
19% growth

Average monthly launches of
the realestate.com.au app²

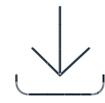
more than
27m⁶



Time on app
17% growth

Average monthly total
time across app³

more than
5.0x⁷



App downloads
16% growth

Downloads of realestate.com.au
app⁴

more than
8.5m⁸

Sources: "Largest" (Nielsen Digital Content Ratings, (Jul 2018 - Dec 2018), People 2+, text, computer & mobile, average monthly unique audience on site & app compared to the nearest competitor) and "most engaged" (Nielsen Digital Content Ratings (Jul 2018 - Dec 2018), People 2+, text, computer & mobile, average time spent per person on realestate.com.au compared to the nearest competitor). 1. Nielsen Digital Content Ratings, (Jul 2018 - Dec 2018), tagged, People 2+, text, average monthly sessions. 2. Nielsen Digital Content Ratings, tagged, People 2+, text, average monthly app launches (Jul 2018 - Dec 2018) compared to the same period (Jul 2017 - Dec 2017). 3. Nielsen Digital Content Ratings, (Jul 2018 - Dec 2018), total time spent on the realestate.com.au app compared to the same prior period (Jul 2017 - Dec 2017). 4. Google Play & iTunes App Store, total number of downloads (Jul 2018 - Dec 2018) compared to the same prior period (Jul 2017 - Dec 2017). 5. Nielsen Digital Content Ratings, (Jul 2018 to Dec 2018), tagged, People 2+, text, computer & mobile, comparing total monthly sessions of realestate.com.au to the nearest competitor. 6. Nielsen Digital Content Ratings, (Jul 2018 - Dec 2018), tagged, People 2+, text, average monthly app launches. 7. Nielsen Digital Content Ratings, (Jul 2018 to Dec 2018), tagged, People 2+, text, computer & mobile, average app previous session length compared to the nearest competitor. 8. Google Play & iTunes App Store, total number of downloads of the realestate.com.au app as at 31 Dec 2018.

Delivering on our strategy

Change the way the world experiences property

Property Advertising



The online advertising of property remains at the centre of our business

Lifestyle & Financial Services



Connecting with people throughout their entire property journey

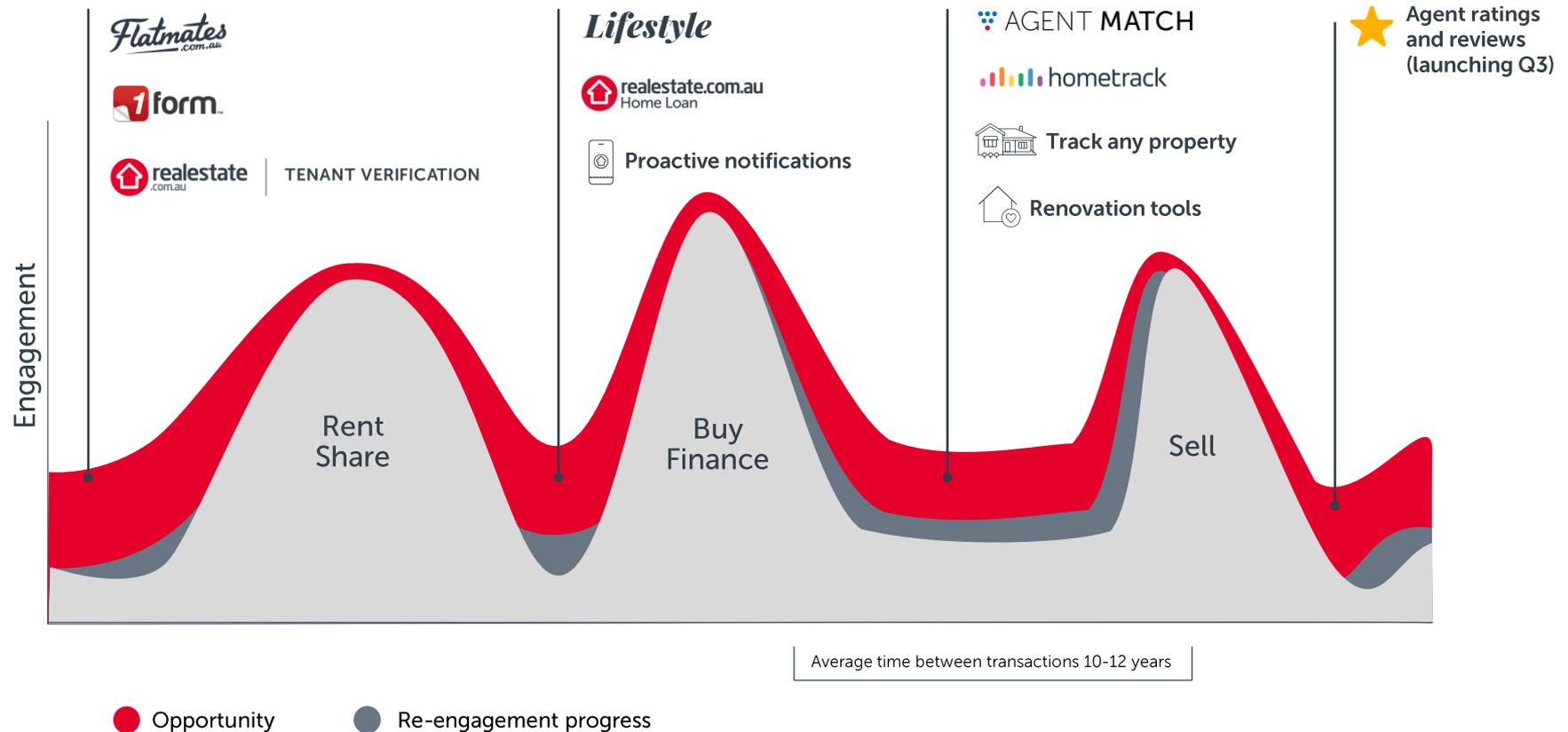
Global



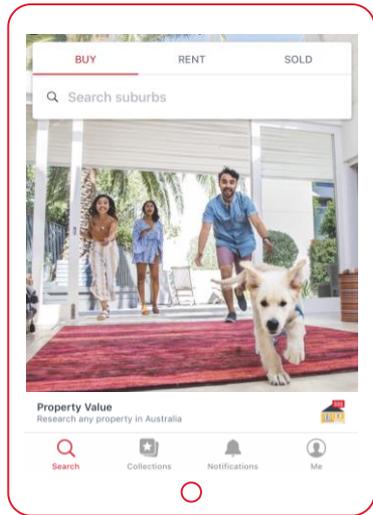
Extending our expertise into large and growing markets around the world

Engaging with our consumers

We recognise the individual needs of our consumers are ongoing. Our focus is on delivering highly personalised experiences to consumers at every step of their property journey.

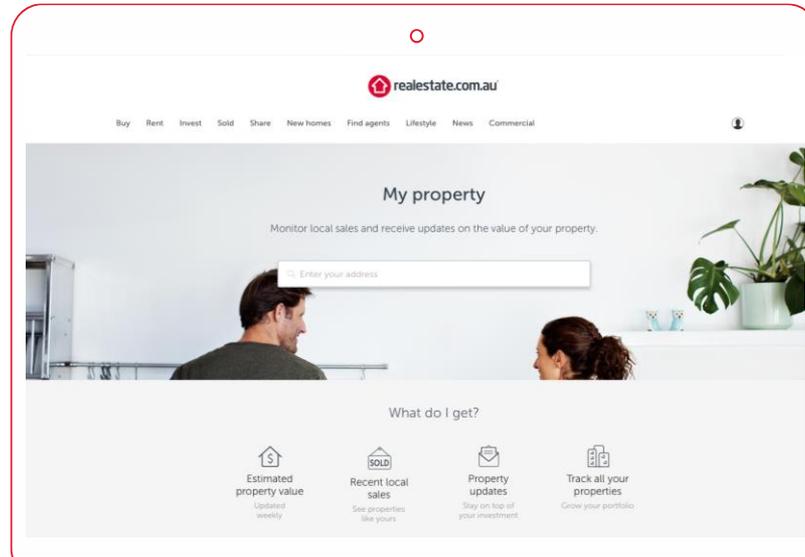


Enhancing our consumer experience



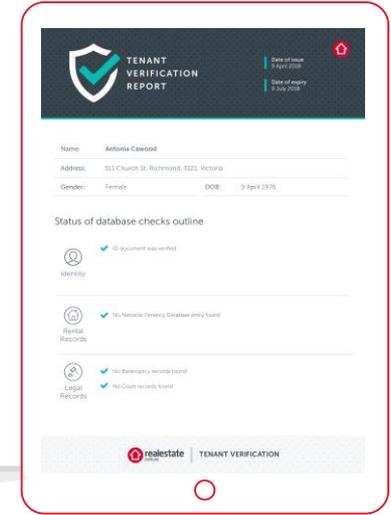
A faster experience

- Completed a large technology upgrade, improving speed on all devices by 5.6 times.



Everything in one place

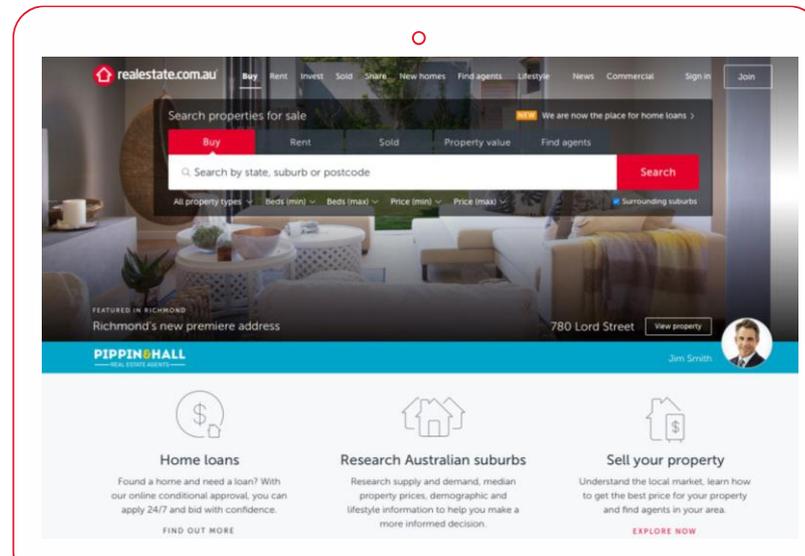
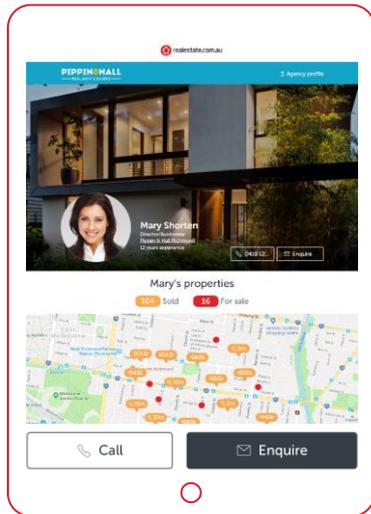
- Introduced Travel Time into map functionality.
- Enabled consumers to claim and track multiple properties – more than one million claimed properties to date.¹



Helping renters

- Launched Tenant Verifications, more than 8,500 purchased since launch.²
- More than 1.3 million 1Form applications³ - 15% growth.⁴

Delivering value for our customers



Agent Edge product suite

- Verified Agent Ratings & Reviews soft launched in December.
- Agent Match generated 13x more leads.¹
- More than 2,000 agents have Agent Elevate subscriptions.²

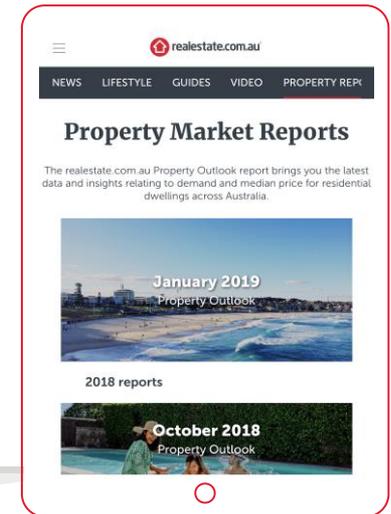
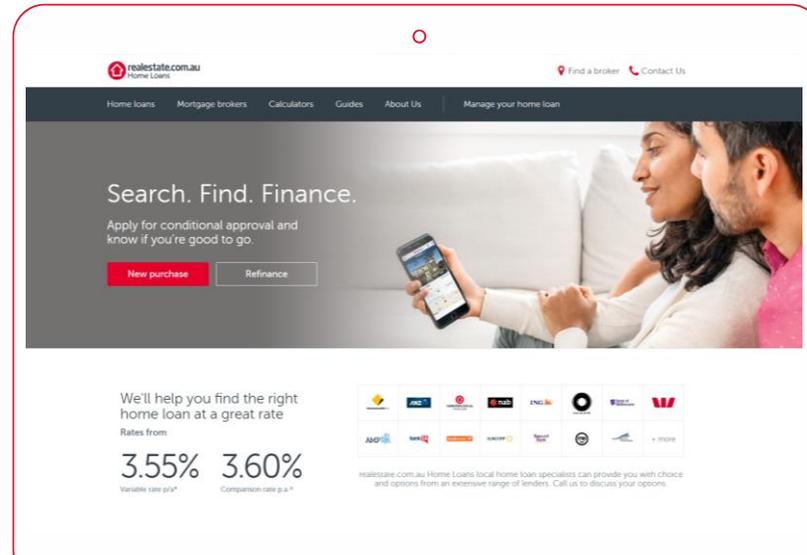
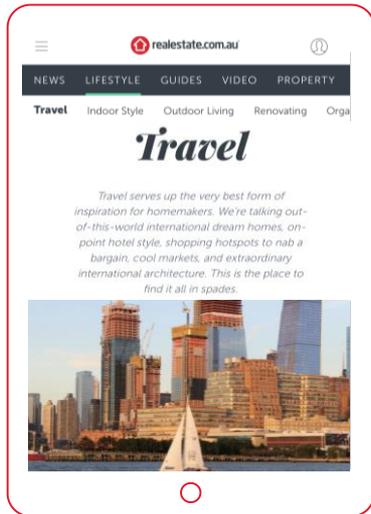
Reaching new audiences

- Re-launched an improved Suburb Sponsorship – record uptake in October and November.
- Audience Maximiser revenue grew 278%.³

Making business easier

- Introduced Ignite, a customer self service platform.
- More than 330 new Developer customers since July.⁴

Reaching people beyond listings



New content experiences

- New Video Collections and Travel destinations.
- Lifestyle received 7.7 million visits.¹
- News and Guides received 16.4 million visits.²

Property finance

- Introduced Refinance into our home loans experience.
- Reached \$1 billion in applications.³
- Introduced new personalised calculator experiences.
- More than 400 brokers in market.⁴

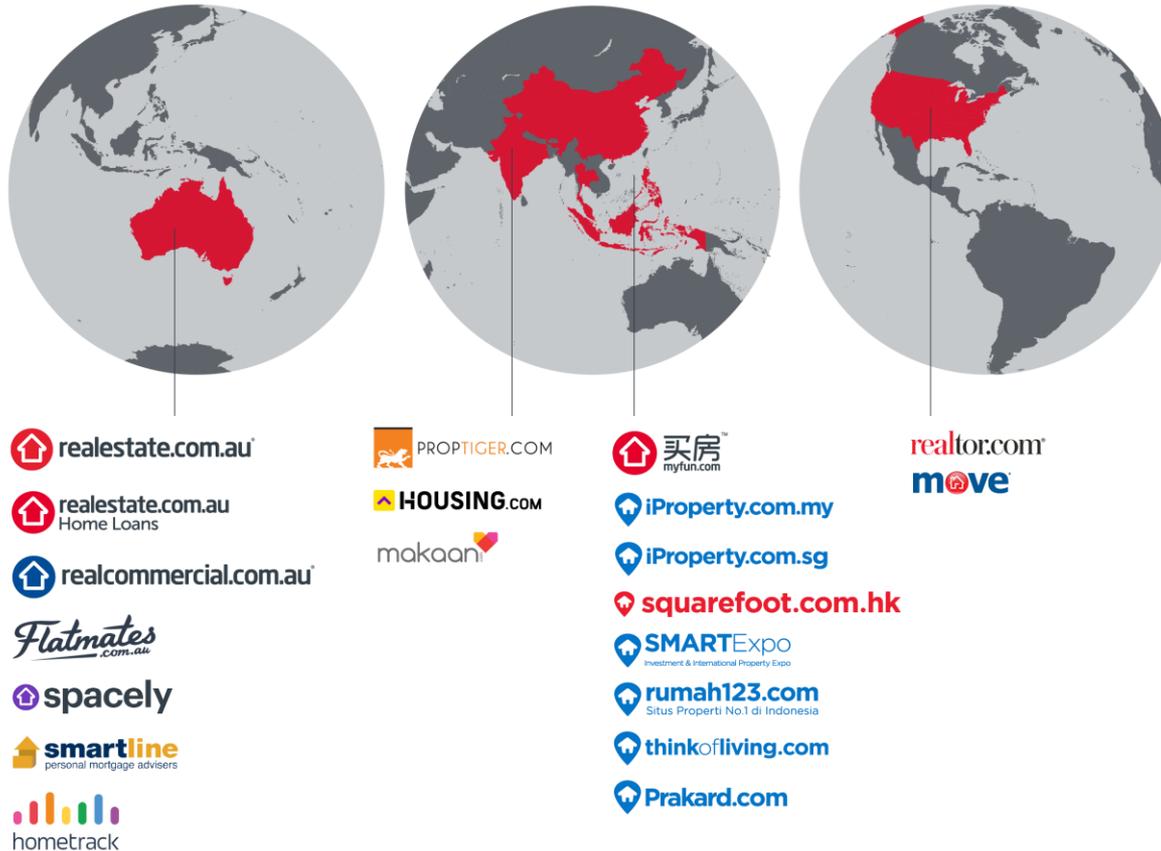
Data and Insights

- Integrated Hometrack data into our core experiences and reports.
- Launched Sales and Auction results, providing a comprehensive overview of property sales.

Source: Adobe Analytics: 1. Total number of visits to realestate.com.au/lifestyle (Jul 2018– Dec 2018). 2. Total number of visits to realestate.com.au News & Guides (Jul 2018 – Dec 2018). Source: REA Internal Data: 3. Total value of loan applications created through online and phone channels as at 31 January 2019. 4. Total number of brokers as at 31 January 2019.

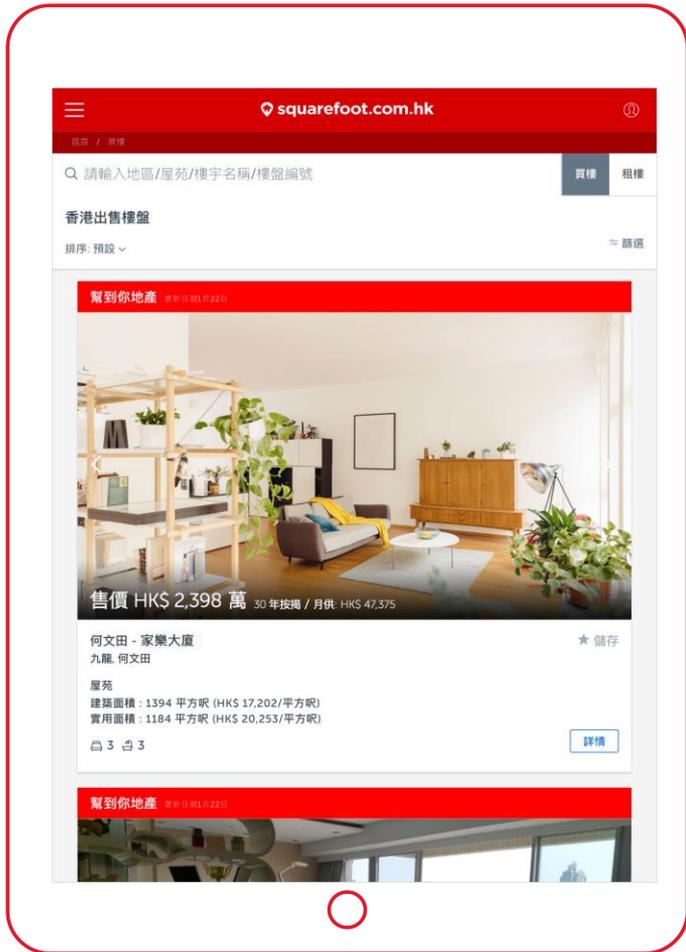
Our footprint spans three continents

REA's long-term growth strategy looks to extend our expertise to large and growing markets. We have businesses in Australia, Asia and North America.



Investing in Asia

Becoming the authority on property in Asia.



Half-year highlights

People leadership

- New leaders in Singapore and Malaysia.

Growing our audience

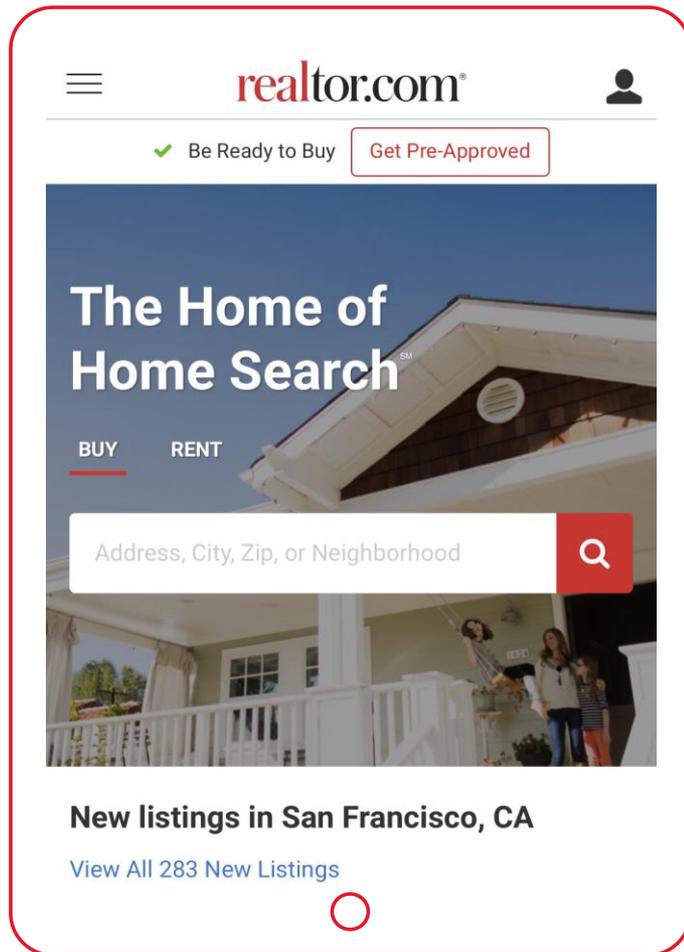
- Malaysia has 1.5x more visits than its nearest competitor.¹
- Singapore increased its visits 57% year-on-year.²

Innovating our experiences

- Consolidated two brands in Hong Kong into a new and improved Squarefoot platform - increasing average monthly visits by 140%.³
- Designed a new ThinkOfLiving website.
- Introduced a new referral product to connect developers with agents in Indonesia.
- Launched a new responsive site section to Rumah123.com.
- Our Indonesian team won the Mobile DNA Award for best property app.⁴
- Integrated WhatsApp into our experiences in Hong Kong and Indonesia.
- Soft launched A Page For Every Building in Hong Kong.

Source: 1. Similar Web, Average monthly visits to iproperty.com.my site in Malaysia compared to its nearest competitor (Jul 2018-Dec 2018). 2. Similar Web, Total number of visits to iProperty.com.sg site in Singapore (Jul 2018 -Dec 2018) compared to the same period (Jul 2017 - Dec 2017). 3. Similar Web, increasing average monthly visits to squarefoot.com.hk by 140% from 22 Nov 2018 - 31 Dec 2018. 4. Marketeers Magazine, best property app, Mobile DNA Award, 2018.

Global Investments



Half-year highlights

realtor.com[®]

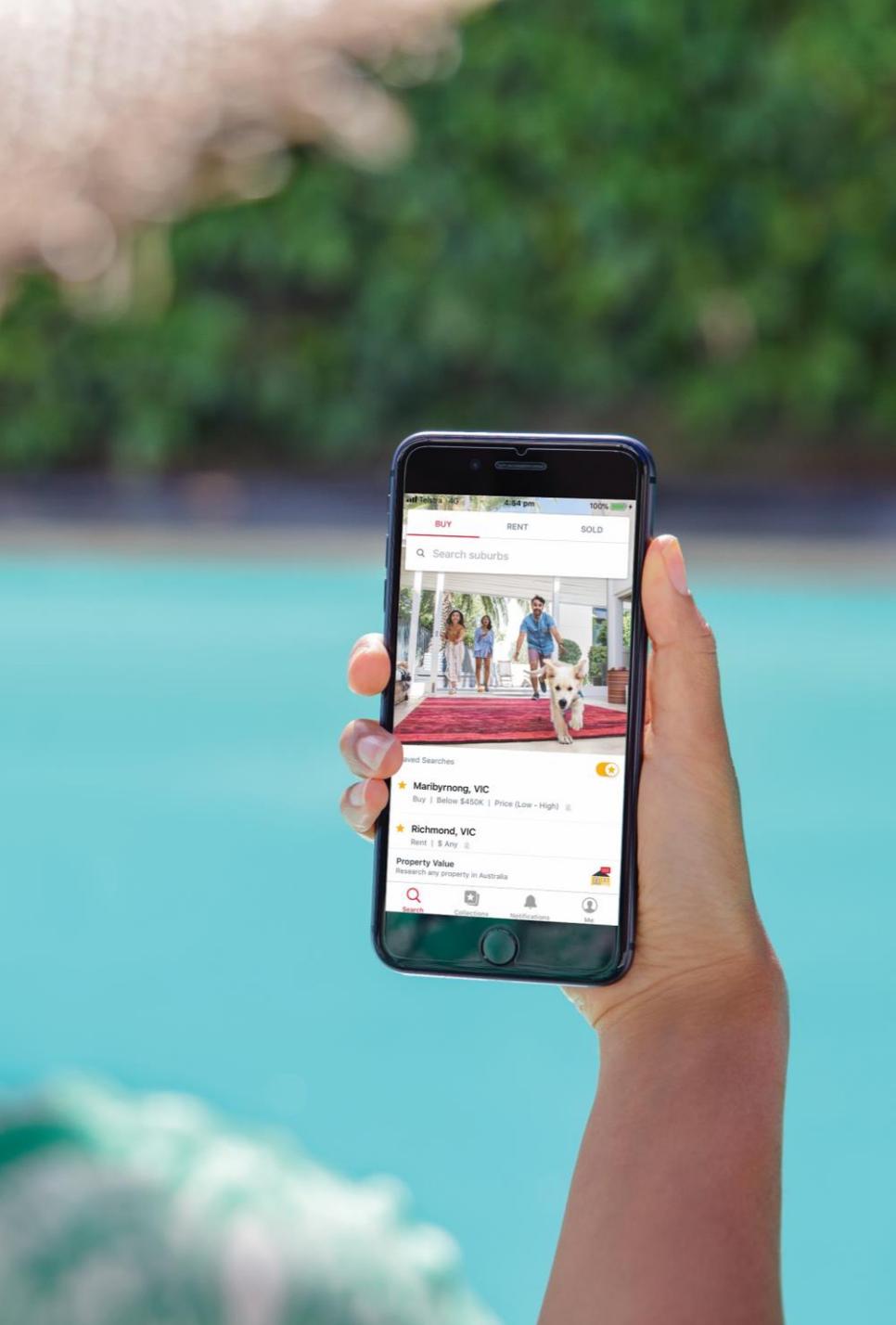
- Revenue increased 11% to US\$240 million.¹
- Acquired Opcity, a market-leading lead generation platform.
- Launched a new mobile text feature to connect property seekers with real estate agents quicker.
- Introduced Local Expert to help agents position themselves as the go-to authority in their neighbourhood.
- Average monthly unique audience grew 6% to 53 million.²



PROPTIGER.COM

- Revenue increased 68%.³
- Traffic to all three platforms increased by 41%, driven by mobile visits.⁴
- More than one million average monthly listings on Makaan.com.⁵

Sources: 1. NewsCorp's Earnings Release stated in US Dollars (7 February 2019) for the six month period ended 31 December 2018. 2. NewsCorp's Form 10-Q stated in US Dollars for the six month period ended 31 December 2018. 3. Elara Technologies Pte Ltd internal data, total revenue growth for proptiger.com, makaan.com and housing.com for the six month period ended 30 Nov 2018 compared to the six month period ended 30 Nov 2017. 4. Audience data for proptiger.com, makaan.com and housing.com December 2018 compared to December 2017. 5. Average monthly listings (Jul 2018- Dec 2018).

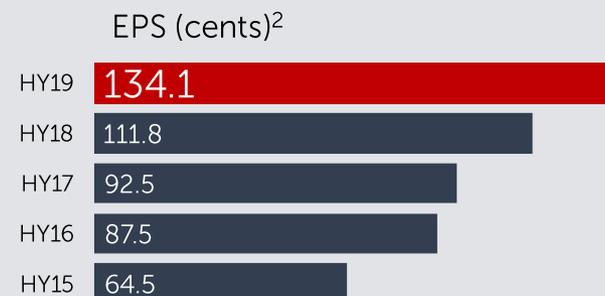
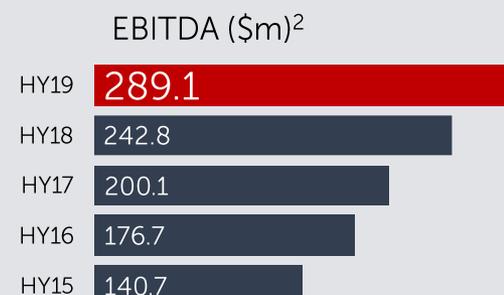


Financial Highlights

Half-year results, 31 December 2018

Financial operating results

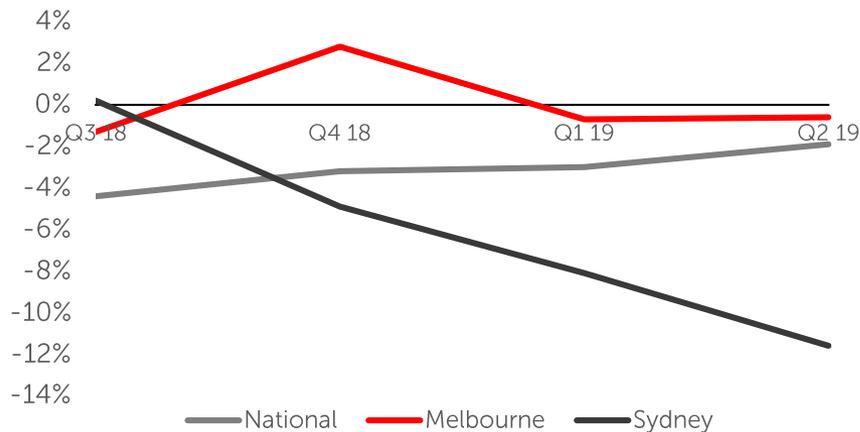
Performance (\$m)	HY 2019	HY 2018	Growth
Revenue¹			
Australia	428.5	370.8	16%
Financial Services	14.7	13.2	11%
Asia	26.0	22.8	14%
Group Revenue	469.2	406.8	15%
EBITDA²			
Australia	293.2	247.7	18%
Financial Services	5.8	5.9	(2%)
Asia	5.7	4.5	27%
Associates & Joint Ventures	(4.9)	(4.0)	(23%)
Corporate	(10.6)	(11.3)	6%
Group EBITDA²	289.1	242.8	19%
<i>EBITDA Margin</i>	62%	60%	
NPAT²	176.6	147.3	20%
Cash Balance	59.8	198.3	(70%)
Earnings Per Share ('EPS') cents ²	134.1	111.8	20%
Dividend Per Share cents	55.0	47.0	17%
Reconciliation to Financial Statements (\$m)	HY 2019	HY 2018	Growth
NPAT from Core Operations	176.6	147.3	20%
Unwind, revaluation & finance costs of contingent consideration	(0.8)	(2.3)	66%
Impairment charge	(173.2)	-	n/a
Business combination transaction costs, net of tax ³	(0.1)	(0.6)	78%
US tax reform (revaluation of deferred tax balances)	-	(11.8)	n/a
Reported NPAT	2.5	132.5	(98%)



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Unfavourable market conditions

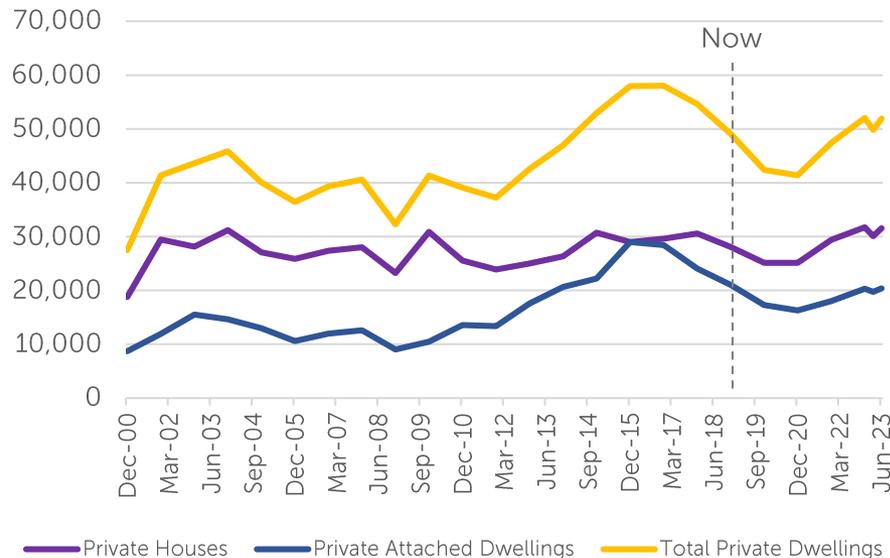
Residential Listing Changes¹



Residential listings

- Overall listings in Australia were down 3% with Sydney driving the overall decline.
- In the second half of FY19, listings may be impacted by Federal and State elections.

Dwelling Commencements²



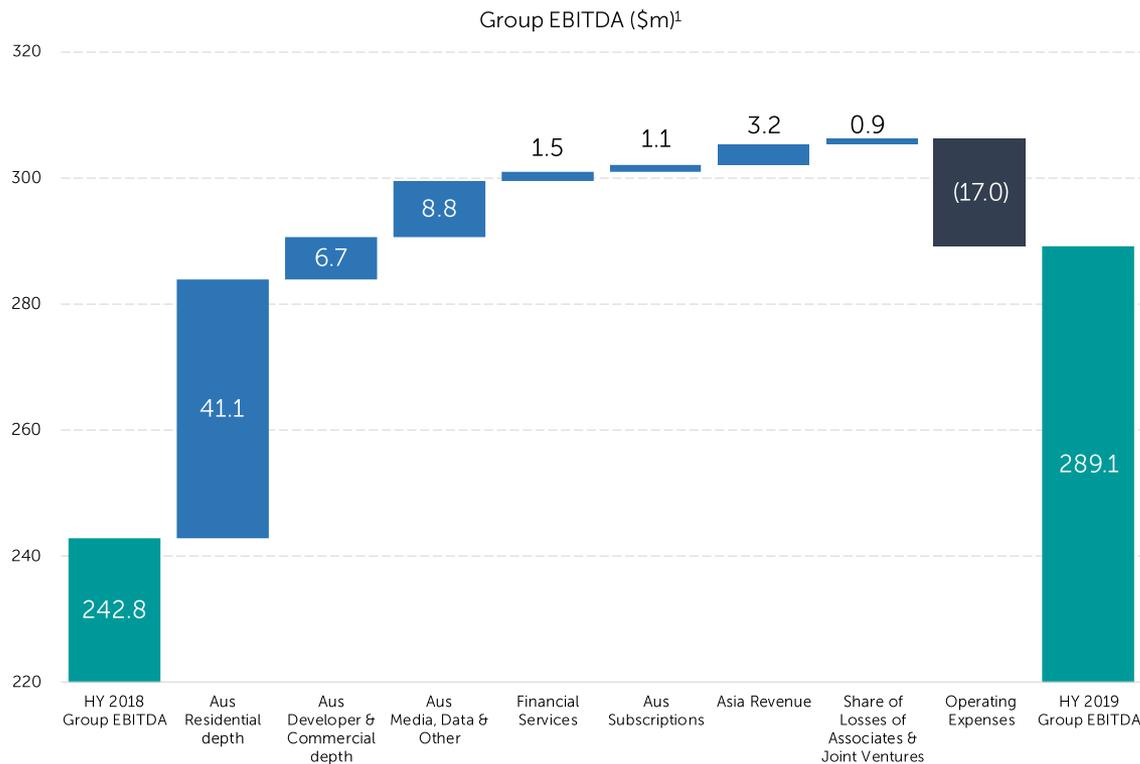
Developments

- Continued decline in dwelling commencements for the half.
- BIS Oxford forecasts private attached dwelling commencements to be 21% lower in the second half of FY19 year-on-year.

1. Source: REA Internal Data for the three month periods ended 31 Mar 2018, 30 Jun 2018, 30 Sep 2018 and 31 Dec 2018. 2. Source: BIS Oxford BIA Data - dwelling commencements quarterly forecast at December 2018.

Strong EBITDA results

Continued success despite challenging market conditions.

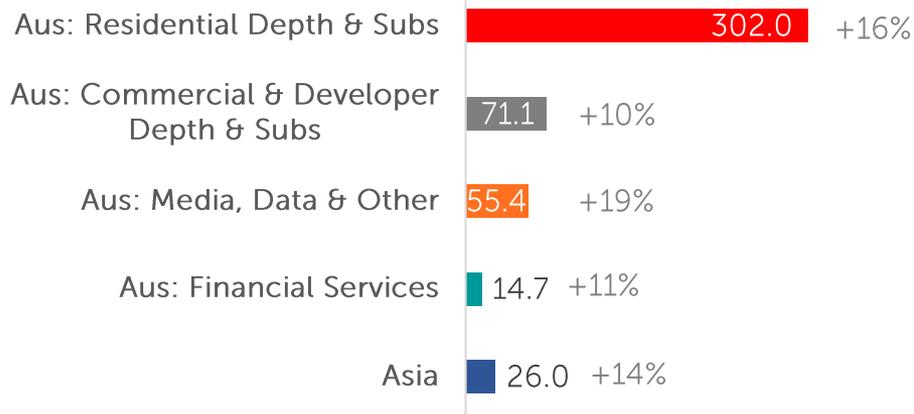


- Residential revenue growth reflects price changes from July and the continued success of Premiere All, despite a decline in listings.
- Developer and Commercial revenue growth due to an increase in project profile duration, acquisition of new customers and increased Commercial depth penetration.
- Inclusion of Hometrack acquired in June 2018.
- Operating expenses increased as a result of the continued investment in product innovation, the inclusion of Hometrack and the success of Audience Maximiser.

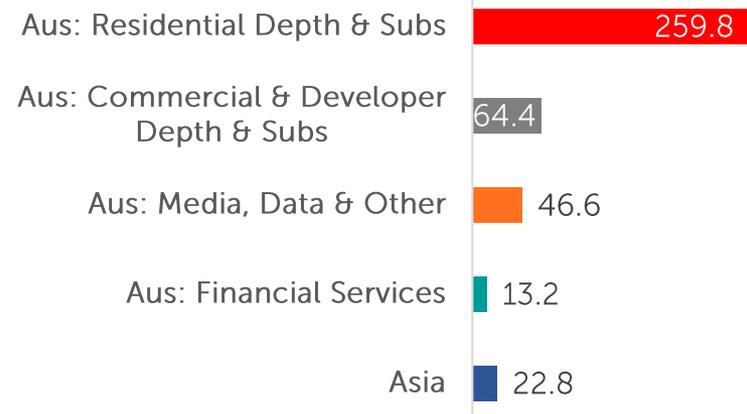
¹ Financial results from core operations excludes significant non-recurring items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment of goodwill. In the prior comparative period this excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions and the impact of the change in US tax rates on Move, Inc. results.

Listing depth strategy driving revenue growth

HY 2019 Group Revenue (\$m)



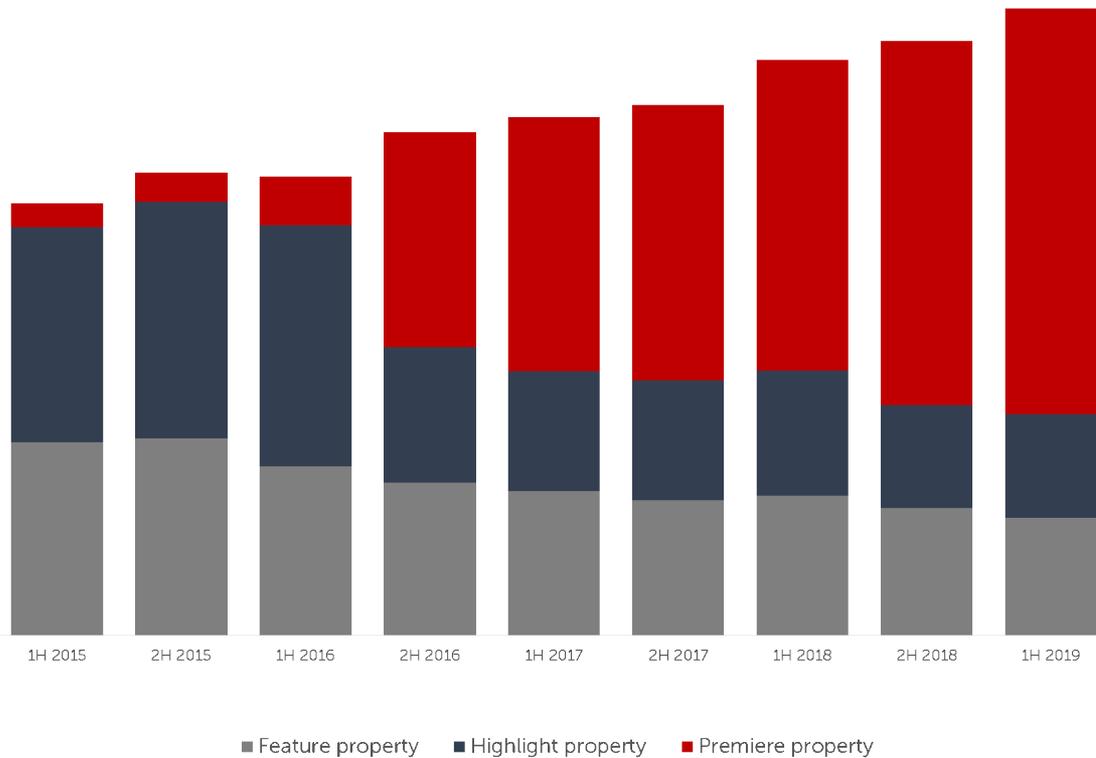
HY 2018 Group Revenue (\$m)



Revenue category (\$m)	HY 2019	HY 2018	Growth
Australia			
Depth revenue	343.4	295.6	16%
Subscription revenue	29.8	28.6	4%
Media, Data & Other	55.4	46.6	19%
Financial Services	14.7	13.2	11%
Australian revenue	443.2	384.0	15%
Asia	26.0	22.8	14%
Total revenue	469.2	406.8	15%

Delivering value for customers

Residential Premium Listing Penetration (depth)



Residential listing depth penetration

- Improved product mix and further depth penetration.
- Continued success of highest yielding listing product 'Premiere' demonstrating the superior returns to agents and vendors.

Non-depth product growth

- Increased contribution from additional products such as Audience Maximiser and Front Page.

Continued international growth

Asia Revenue

\$26.0m

+14%

Asia EBITDA¹

\$5.7m

+27%

Share of Losses
PropTiger

\$2.2m

Share of Losses
Move

\$2.5m

Asia

- Revenue and EBITDA growth due to myfun & Malaysia despite challenging market conditions across the region.
- Further investment in marketing, talent & product innovation planned in order to maintain and strengthen our market positions.
- Reduction in share of losses from PropTiger due to 68% revenue growth for the period.²

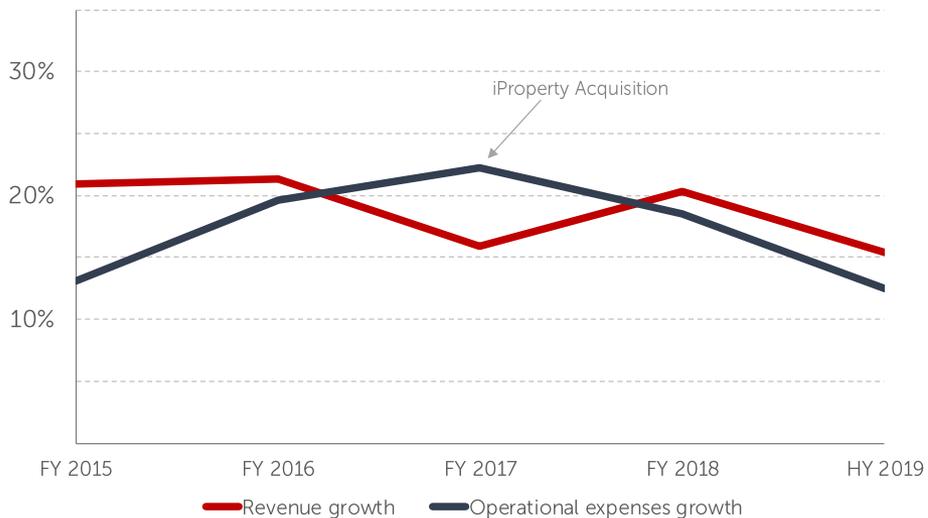
North America

- Acquired Opcity, Inc., a market-leading real estate technology platform that matches qualified home buyers and sellers with real estate professionals in real time.
- realtor.com® revenue growth of 11% to US\$240 million due to growth in Connections Plus product and the inclusion of Opcity.³
- Share of losses increased due to increased operating costs and the acquisition of Opcity.

1. Excludes share of losses of associates. 2. Source: Elara Technologies Pte Ltd: Total revenue growth for proptiger.com, makaan.com and housing.com for the six month period ended 30 Nov 2018 compared to the six month period ended 30 Nov 2017. 3. Source: NewsCorp's Form 10-Q stated in US Dollars for the six month period ended 31 December 2018.

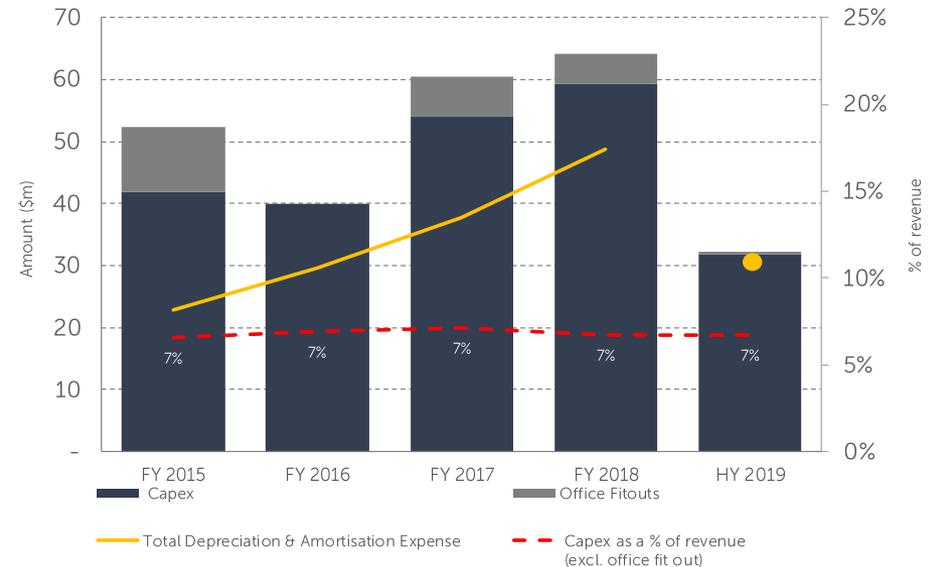
Operating results & capital expenditure

Group Operating Results Growth



For FY19 the target is for the rate of revenue growth to exceed the rate of cost growth for both the second half and the full year, however, this will not be the case in the third quarter.

Group Capital Expenditure

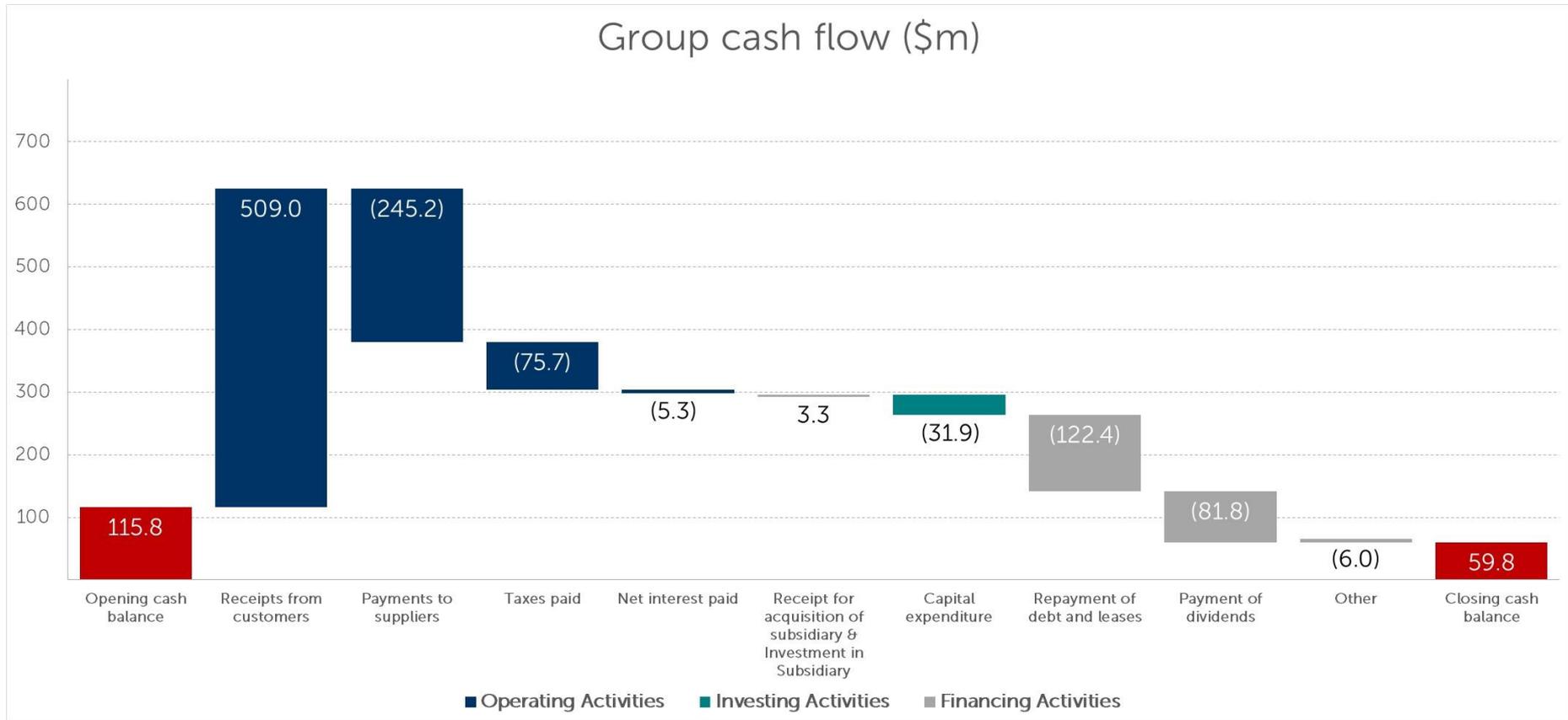


	HY 2019	FY 2019	FY 2019
RE A Group \$m	Actual	Remaining	Total
Core D&A ¹	24	24 - 28	48 - 52
Amortisation of acquired intangibles	5	3 - 4	8 - 9
Total	29	27 - 32	56 - 61

1. Core refers to depreciation and amortization on internally generated intangibles and CAPEX.

Cash flow for the half-year

Reduction in cash position due to repayment of debt.



*Only one place is #1
in Australia for property*¹

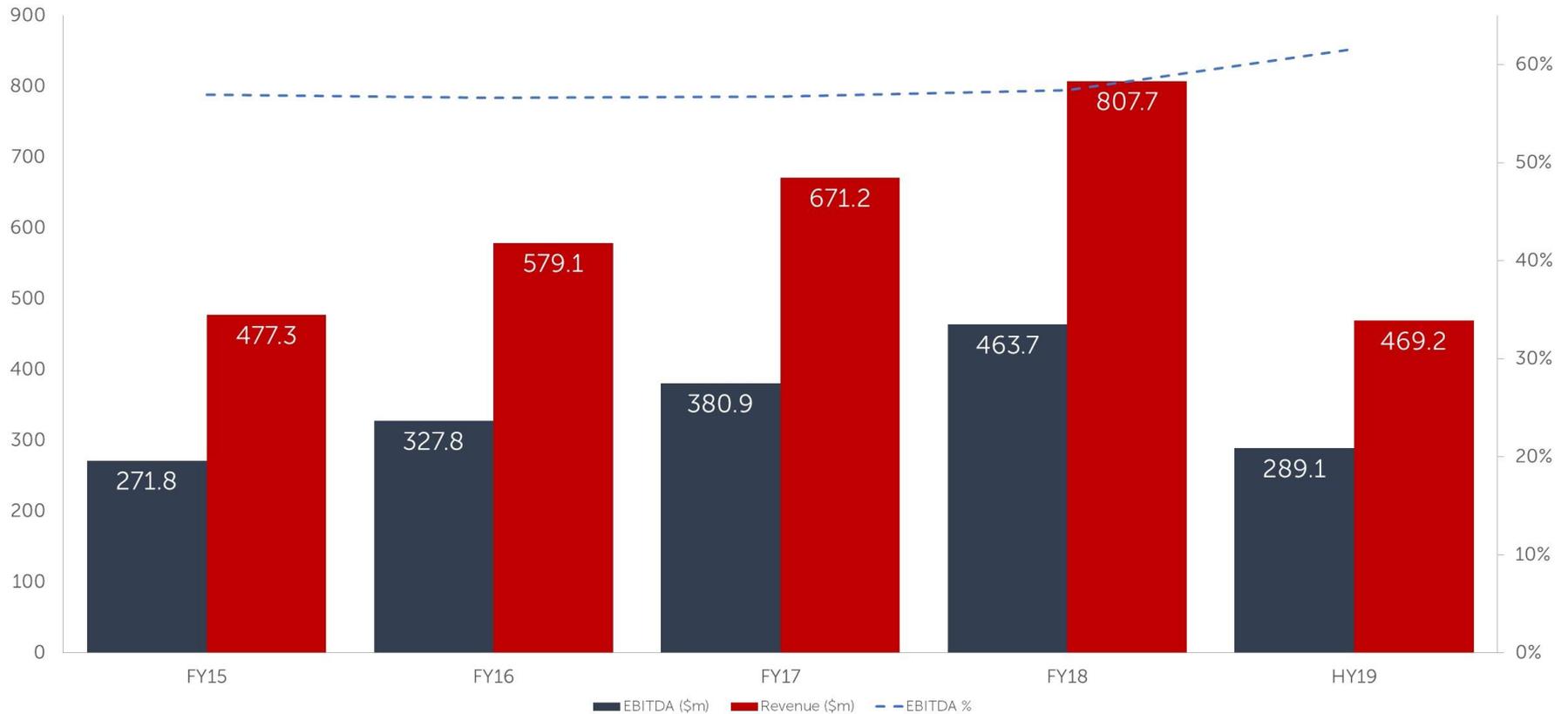
this is the place



Supplementary Information

Historical Revenue & EBITDA

Revenue, EBITDA and Margin
(core operations)¹



1. Financial results from core operations excludes significant non-recurring items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment of goodwill. Also excluded in FY2018 are transaction costs relating to acquisitions and the impact of the change in US tax rates on Move, Inc. results.

Financial comparatives

Group Results	Core Operations ¹										Financial Statements
	HY2015		HY2016		HY2017		HY2018		HY2019		HY2019
	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m
Total Revenue	239.3	26%	289.8	21%	337.3	16%	406.8	21%	469.2	15%	469.2
Total Operating Income	239.3	26%	289.8	21%	337.3	16%	406.8	21%	469.2	15%	469.2
Operating Expenses	(98.2)	15%	(107.2)	(9%)	(135.5)	(26%)	(160.0)	(18%)	(175.2)	(10%)	(348.4)
Share of losses of associates & joint ventures	(0.3)	n/m	(5.9)	>100%	(1.8)	70%	(4.0)	>100%	(4.9)	(22%)	(5.0)
EBITDA	140.7	36%	176.7	26%	200.1	13%	242.8	21%	289.1	19%	115.8
EBITDA Margin	59%		61%		59%		60%		62%		25%
Depreciation & Amortisation	(11.2)	23%	(13.4)	(19%)	(17.9)	(33%)	(23.1)	(29%)	(29.0)	(25%)	(29.0)
EBIT	129.5	37%	163.3	26%	182.2	12%	219.7	21%	260.1	18%	86.8
Net finance income/(expense)	2.9	n/m	0.7	(74%)	(6.2)	(>100%)	(3.9)	(>100%)	(3.4)	13%	(4.2)
Earnings before tax	132.4	34%	164.0	24%	176.0	7%	215.8	23%	256.6	19%	82.5
Income tax expense	(47.5)	61%	(48.7)	(3%)	(54.2)	(11%)	(68.4)	(26%)	(80.1)	(17%)	(80.1)
Net Profit	85.0	22%	115.3	36%	121.8	6%	147.3	21%	176.6	20%	2.5
Dividends per share (DPS) (cents)	29.5	34%	36.0	22%	40.0	11%	47.0	18%	55.0	17%	55.0
Earnings per share (EPS) (cents)	64.5	22%	87.5	36%	92.5	7%	111.8	21%	134.1	20%	1.8

1. Financial results from core operations excludes significant non-recurring items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment of goodwill. Also excluded in HY2018 are transaction costs relating to acquisitions and the impact of the change in US tax rates on Move, Inc. results.

Cash flow reconciliation

Cash flow reconciliation (\$m)	HY 2019	HY 2018	Growth
EBITDA ¹	289.1	242.8	19%
Working capital movement	(31.5)	(24.0)	(31%)
Net interest paid	(5.3)	(2.7)	(95%)
Income taxes paid	(75.7)	(72.4)	(5%)
Capital expenditure	(31.9)	(28.0)	(14%)
Other	0.4	4.1	n/m
Free cash flow	145.1	119.8	21%
Receipt / (Payment) for acquisition of subsidiary	3.2	(70.7)	n/m
Repayment of borrowings and leases	(122.4)	(134.0)	9%
Investment in associates	-	(4.4)	n/m
Dividends paid	(81.8)	(67.3)	(22%)
Other	(0.1)	(3.5)	n/m
Net cash (outflow)	(56.0)	(160.1)	n/m

¹ Financial results from core operations excludes significant non-recurring items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment of goodwill. In the prior comparative period this excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions and the impact of the change in US tax rates on Move, Inc. results.

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investor site at
rea-group.com

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