

A man and a woman are leaning over a counter in a kitchen, looking at a tablet together. The man is on the left, wearing a blue sweater, and the woman is on the right, wearing a white shirt. They are both smiling and appear to be engaged in a collaborative activity. The background shows a kitchen with a sink, shelves, and a window.

REA Group Limited Investor & Analyst presentation

HALF YEAR RESULTS – DECEMBER 31 2016



REA Group

Tracey Fellows

CHIEF EXECUTIVE OFFICER

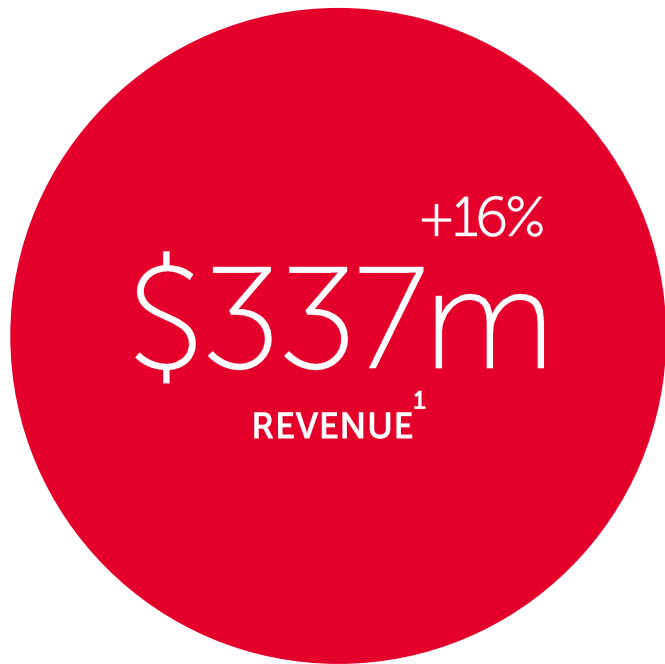


Change the way the world
experiences property

DELIVERING ON OUR PURPOSE



Half year financial metrics



+13%

\$200m

EBITDA¹

+6%

92.5¢

EPS¹

+6%

\$122m

NPAT¹

+11%

40¢

HALF YEAR DIVIDEND¹

Half year highlights

- realestate.com.au is #1¹
- Investment in PropTiger (India)
- Partnership with NAB
- Sale of European operations
- First VR property app in Australia




realestate.com.au – Clear market leader

- More than twice the visits of #2 site¹
- Over 6 million app downloads²
- 6.9x more Buy section visits³
- 88% share of time on site⁴
- 76% app visits growth year on years⁵
- 93% of new property listings⁶

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 half year ended 31 December 2016, excludes apps. 2. Source: Google Play and iTunes. Total app downloads to January 2017. 3. Source: Experian Hitwise data December 2016 showing visits to Buy section on realestate.com.au compared to domain.com.au. 4. 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 half year ended 31 December 2016, excludes apps. 5. Source: Adobe Analytics average monthly visits for the realestate.com.au app for the half year ended 31 December 2016 compared to the half year ended 31 December 2015. 6. Source: CoreLogic Media Maximiser. Represents REA's share as a percentage of unique properties newly advertised for sale and counted between July and Dec (houses & units only) that were successfully matched back to a CoreLogic property identifier

Largest and most engaged audience

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

	realestate.com.au	No. 2 property site	Outperforming the competition
 Visits Average monthly traffic to realestate.com.au ¹	47.9m	20.1m	2.3x
 Time on Site Average monthly total time on site (minutes) ²	254.2m minutes	33.2m minutes	7.6x
 Page Views Average monthly ³	885.4m	178.2m	5.0x

Strategy for continued growth



**PROPERTY
ADVERTISING**



**PROPERTY
RELATED
SERVICES**



GLOBAL

Product Innovation



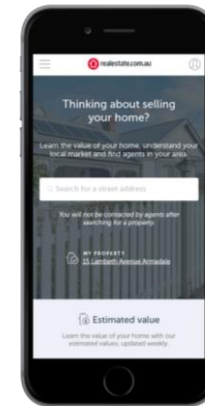
Builder Profiles

Assists builders with expanding their online presence and increasing their brand awareness.



realestate VR App

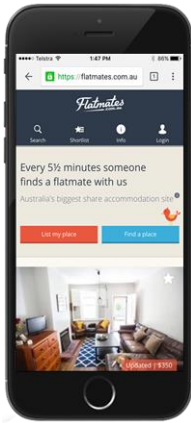
Australia's first virtual reality property app available on Daydream, Google's mobile VR platform.



Seller Hub

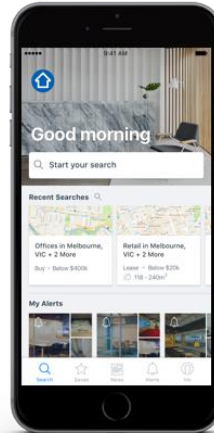
Gives consumers access to the best information and insights before their property goes under the hammer.

Product Innovation



flatmates.com.au

#1 player in Australian Share Accommodation
 Over 2.0m average monthly visits¹
 83% growth in average monthly new property and people listings²



Commercial

39% growth in site visits³
 15% growth in premium listing Elite Plus⁴
 New Agent Marketing Centre and Price Lookup tool



Energy Scores

Provides consumers with an indicator of a property's energy efficiency, average State energy Score, Comparable Properties Score, breakdown of where you use energy most

1. Source: Google Analytics monthly average visits for the half year ended 31 December 2016. 2. Source: Internal Flatmates data for average new property and people listings for the half year ended 31 December 2016 and 31 December 2015. 3. Source: Nielsen Online Market Intelligence Home and Fashion Suite average monthly visits for the realcommercial.com.au site for the half year ended 31 December 2016, compared to the half year ended 31 December 2015, excludes apps. 4. Source: REA Internal data for the half year ended 31 December 2016 compared to 31 December 2015

Launch of Financial Services partnership

- Five year partnership with NAB
- \$400bn¹ annual mortgage market opportunity
- Marrying property search and property finance to create a unique buying experience
- Access to NAB home loans, realestate.com.au white label product, and a panel of lenders
- REA receives funding from NAB for product development/marketing and commissions for home loans settled



Global network



 realestate.com.au[®]

 realcommercial.com.au[®]

Flatmates
com.au



 PROPTIGER.COM

 HOUSING.COM

makaan  Costa

 买房[™]
myfun.com

 iProperty Group



 move[®]

realtor.com[®]

Global highlights – Asia

South East Asia

- Leader in Malaysia¹
- +11% Growth in mobile visits across all sites²
- 7.5 million visits across all sites³
- Investment in senior leadership
- Launched property data services in Malaysia (iProperty iQ)

India

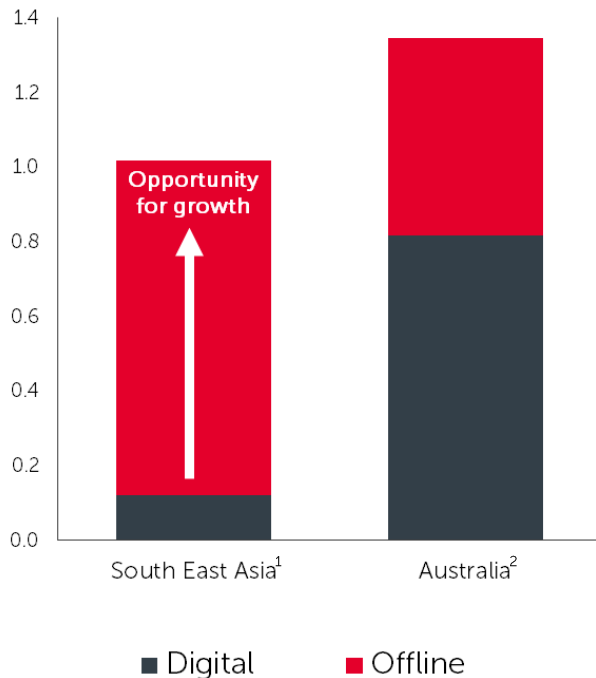
- Acquired a 14.7% strategic stake in PropTiger for \$67.9 million
- Offers the full range of online & offline property services
- One of the fastest growing property markets expected to reach USD180 billion by 2020⁴

1. Source: Similar Web average monthly visits for iProperty sites in Malaysia at 31 December 2016 compared to the nearest market competitor. 2. Source: Similar Web average monthly visits for iProperty sites in Malaysia, Hong Kong, Thailand, Singapore and Indonesia for the half year ended 31 December 2016 and Adobe Analytics average monthly visits for myfun.com (includes international traffic to site) for the half year ended 31 December 2016. 3. Source: Similar Web average monthly visits for iProperty sites in Malaysia, Hong Kong, Thailand, Singapore and Indonesia for the half year ended 31 December 2016 and Adobe Analytics average monthly visits for myfun.com (includes international traffic to site) for the half year ended 31 December 2016. 4. Source: Real Estate Industry in India, Indian Brand Equity Foundation, November 2016.

The Asian opportunity

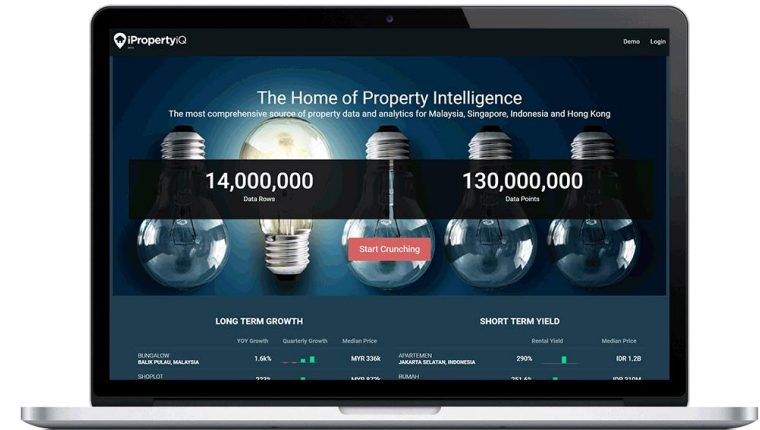
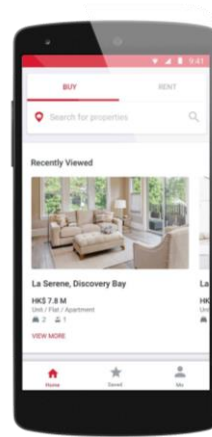
The Asian opportunity is as compelling as it has ever been

Online real estate advertising as % of total \$(m)



Strong opportunity for growth through migration to online advertising

Product innovation



Launch of Squarefoot android app in HK
Launch of iProperty iQ

1. Source: Frost & Sullivan Research (March 2016) 2. Source: Frost & Sullivan Research (February 2017)

Global highlights – North America

- realtor.com® continues to deliver record consumer audience results in H1 FY17
- Growth of 14% to 48m¹ average monthly web and mobile site users
- Revenue growth of 8% to USD\$186m²
- Innovations include new web experience and design and new app
- New premium listing product Advantage launched in December 2016

1. Source: Internal Move data includes web, mobile web and native apps for the 6 month periods ended 31 December 2016 compared to the 6 month ended 31 December 2015. 2. Source: NewsCorp's Earnings Releases stated in US Dollars (7 November 2016 and 10 February 2017) for the quarters ended 30 September 2016 and 31 December 2016.

Owen Wilson

CHIEF FINANCIAL OFFICER

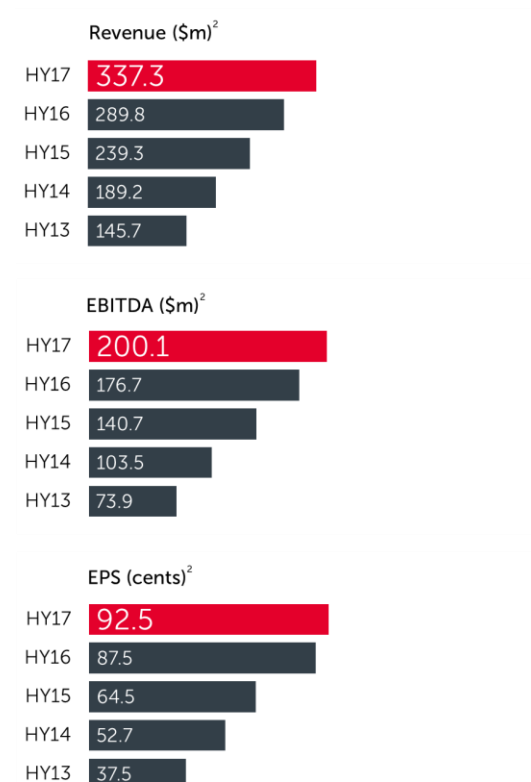


REAGroup

Operating results

Performance (\$m)	HY 2017	HY 2016	Growth
Revenue			
Australia	318.2	284.6	12%
Asia	19.2	5.2	n/m
Group revenue	337.3	289.8	16%
EBITDA^(1,2)			
Australia	209.3	187.2	12%
North America	(1.8)	(4.6)	62%
Asia	2.6	2.5	6%
Corporate	(10.2)	(8.4)	(21%)
Group EBITDA^(1,2)	200.1	176.7	13%
EBITDA Margin	59%	61%	
NPAT⁽²⁾	121.8	115.3	6%
Cash balance	166.3	126.8	31%
Earnings per share (EPS) cents ⁽²⁾	92.5c	87.5c	6%
Dividends per share (DPS) cents	40.0c	36.0c	11%

Rec to Financial Statements (\$m)	HY 2017	HY 2016	Growth
NPAT from core operations	121.8	115.3	6%
Discontinued operations	163.4	(0.2)	n/m
Revaluation and unwind of deferred consideration	7.0	-	n/m
Reported NPAT	292.1	115.1	153%

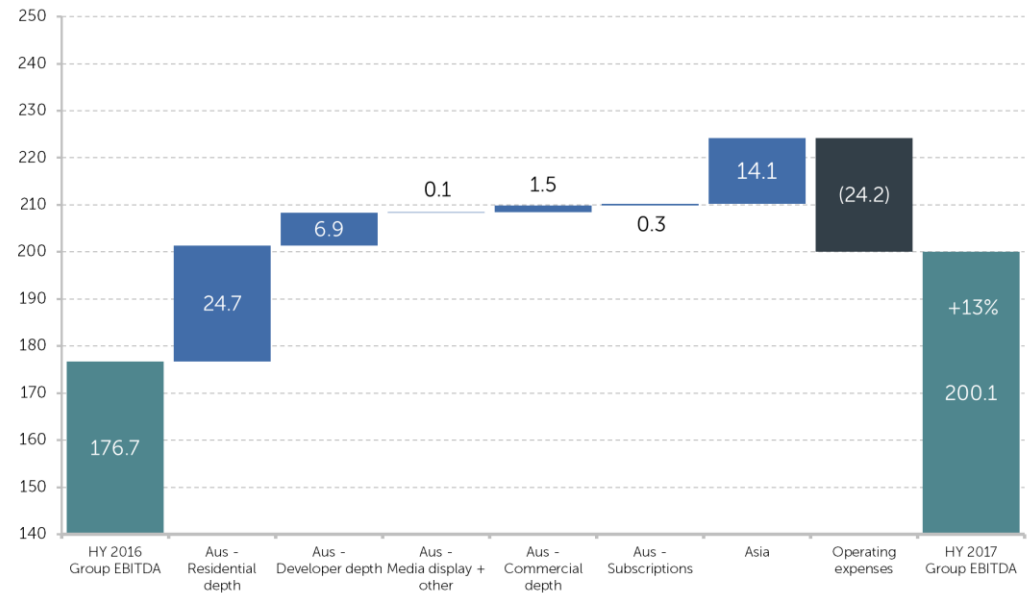


EBITDA growth

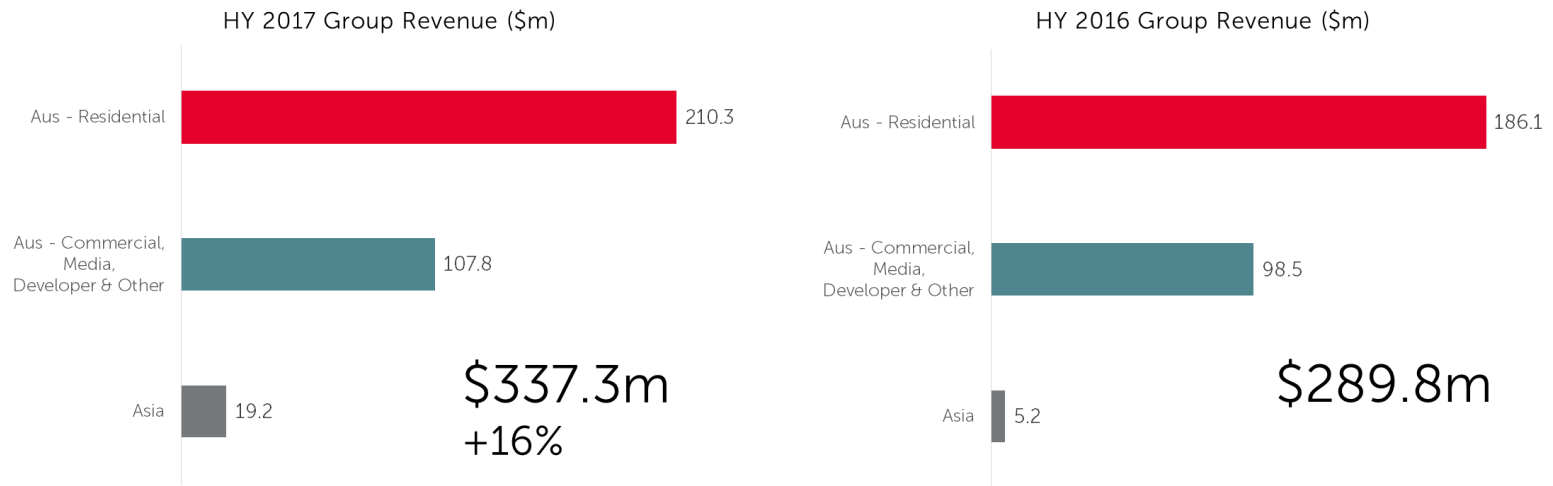
Strong EBITDA¹ growth driven by:

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

Group EBITDA growth (\$m)



Premium listing products driving revenue growth

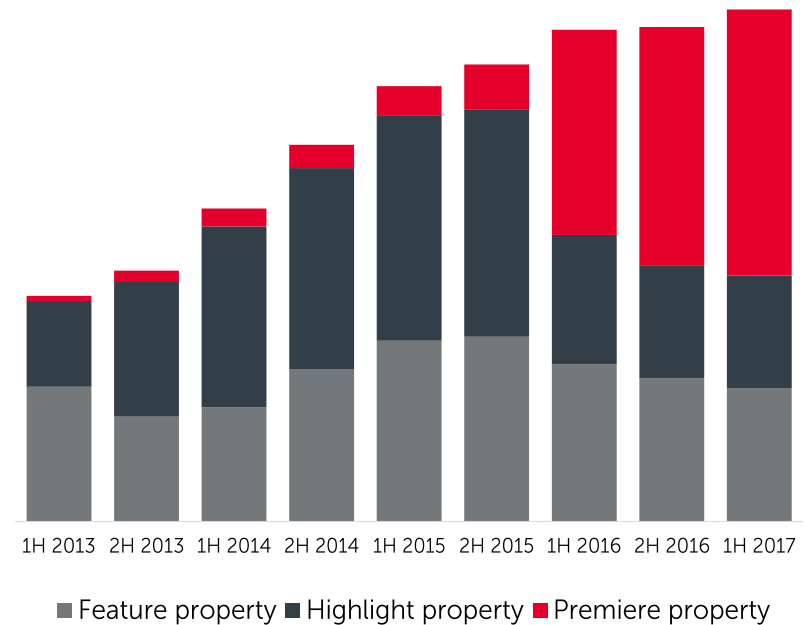


Revenue category (\$m)	HY 2017	HY 2016	Growth
Australia			
Listing depth revenue	244.0	210.9	16%
Subscription revenue	27.9	27.6	1%
Media display & other	46.2	46.1	0%
Australian revenue	318.1	284.6	12%
Asia	19.2	5.2	n/m
Total revenue	337.3	289.8	16%

Strong growth in premium listings

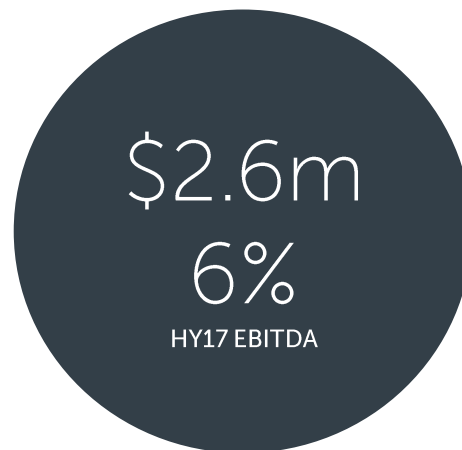
- realestate.com.au had continued improvement in premium listing mix and growth in premium listing products despite decline in listing volumes in the Australian market¹
- Success of highest yielding premiere listing product providing increased return on investment to agents and vendors

Premium Listing Penetration (depth)



Asia results

Growth in key metrics despite challenging market conditions



+11%
Group mobile visits¹

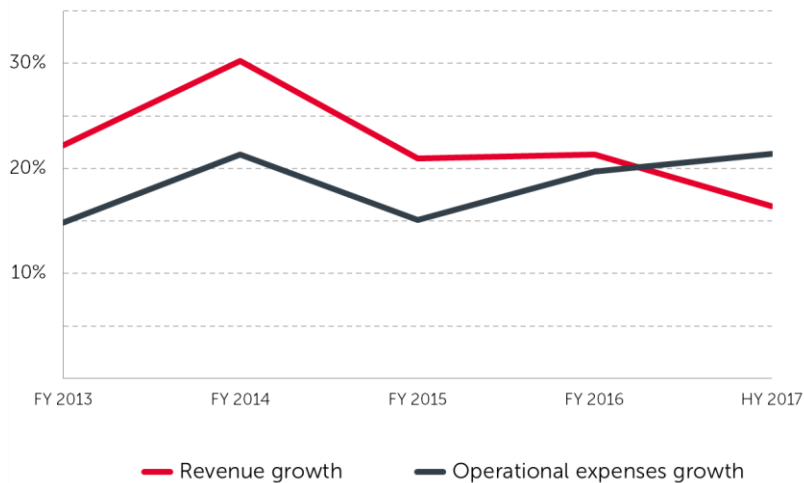
+16%
Hong Kong listings²

+23%
Malaysian mobile visits³

1. Source: Similar Web for the average monthly mobile visits for the combined sites for iProperty Group for the half year ended 31 December 2016 compared to the half year ended 31 December 2015. 2. Source: REA internal data for the average monthly listings for the combined sites gohome.com.hk, squarefoot.com.hk, office18.com and House18.com for the half year ended 31 December 2016 compared to the half year ended 31 December 2015. 3. Source: Similar Web average monthly visits for Malaysia for the half year ended 31 December 2016 compared to the half year ended 31 December 2015.

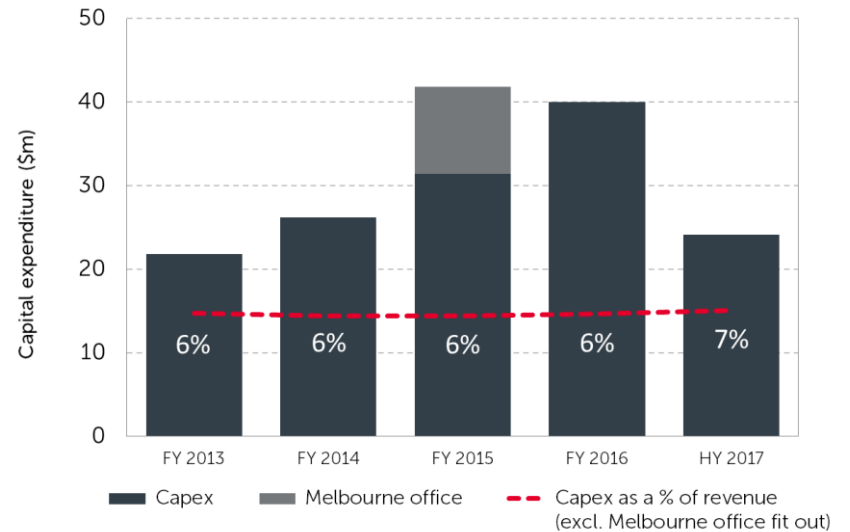
Operating results and capital expenditure

Group operating results growth

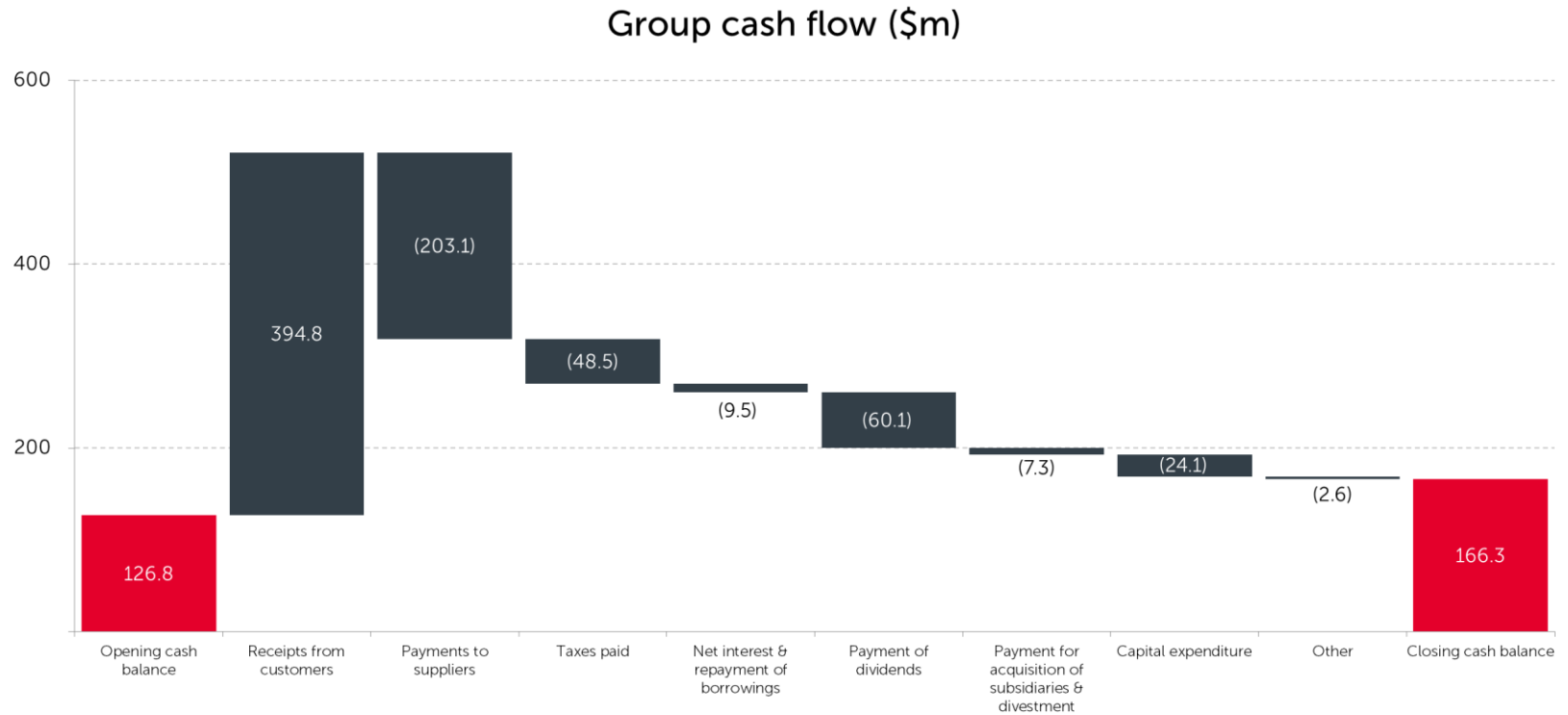



Results above include iProperty without prior year comparatives (excluding iProperty we expect full year revenue growth to exceed cost growth).

Group capital expenditure



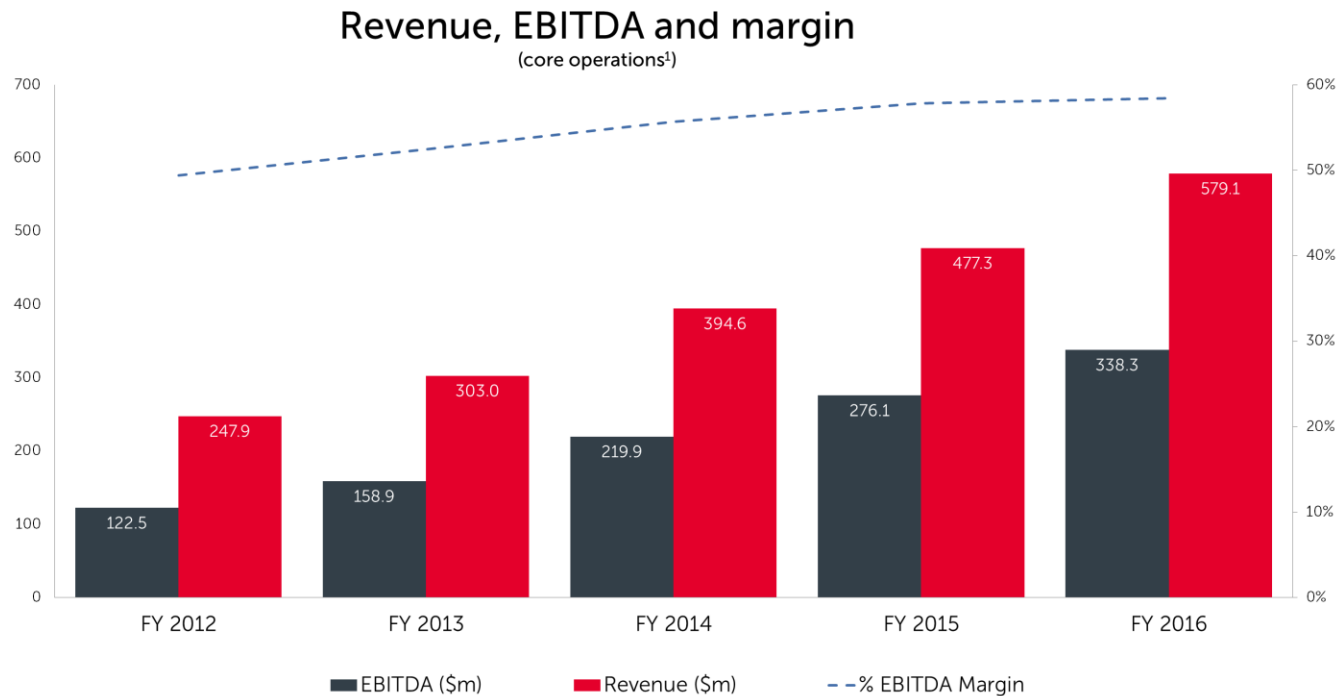
Group cash flow





Supplementary information

Historical Full Year Revenue and EBITDA



1. From core operations excludes non-recurring items such as discontinued operations and revaluation and unwind of deferred consideration.

Financial comparatives

Group results	Core Operations										Financial Statements
	HY 2013		HY 2014		HY 2015		HY 2016		HY 2017		HY 2017
	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m
Revenue	145.7	8%	189.2	30%	239.3	26%	289.8	21%	337.3	16%	337.3
Total revenue & other income	145.7	8%	189.2	30%	239.3	26%	289.8	21%	337.3	16%	337.3
Operating expenses	(71.8)	(4%)	(85.8)	(19%)	(98.5)	(15%)	(113.1)	(15%)	(137.3)	(21%)	(137.3)
EBITDA	73.9	24%	103.5	40%	140.7	36%	176.7	26%	200.1	13%	200.1
<i>EBITDA Margin</i>	<i>51%</i>		<i>55%</i>		<i>59%</i>		<i>61%</i>		<i>59%</i>		
Depreciation and amortisation	(8.4)	17%	(9.1)	(9%)	(11.2)	(23%)	(13.4)	(19%)	(17.9)	(33%)	(17.9)
EBIT	65.4	25%	94.3	44%	129.5	37%	163.3	26%	182.2	12%	182.2
Net finance income/(expense)	4.5		4.6		2.9		0.7		(6.2)		0.8
Earnings before tax	69.9	26%	99.0	42%	132.4	34%	164.0	24%	176.0	7%	183.0
Income tax expense	(20.6)		(29.5)		(47.5)		(48.7)		(54.2)		(54.2)
Net Profit	49.4	20%	69.5	41%	85.0	22%	115.3	36%	121.8	6%	128.8
Dividends per share (DPS)	16.0	28%	22.0	38%	29.5	34%	36.0	22%	40.0	11%	40.0
Earnings per share (EPS)	37.5	19%	52.7	41%	64.5	22%	87.5	36%	92.5	6%	97.8

1. From core operations excludes non-recurring items such as discontinued operations and revaluation and unwind of deferred consideration.

Group cash flow reconciliation

Cash flow reconciliation (\$m)	HY 2017	HY 2016	Growth
EBITDA⁽¹⁾⁽²⁾	200.1	176.7	13%
EBITDA discontinued ops	1.7	3.3	(49%)
Working capital movement	(12.1)	(10.0)	21%
Net Interest	(6.2)	0.7	n/m
Tax paid	(48.5)	(59.3)	18%
Capital expenditure	(24.1)	(17.9)	(35%)
Other	0.3	5.9	(96%)
Free cash flow	111.1	99.4	12%
Net repayments of borrowings	(3.3)	-	n/m
Investment in Subsidiaries	(1.2)	(15.3)	n/m
Cash disposed from discontinued ops	(6.2)	-	n/m
Dividends paid	(60.1)	(53.5)	(12%)
Other	(1.2)	(1.0)	(21%)
Net cash inflow	39.1	29.6	32%

Visit our
investor site at
rea-group.com

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