

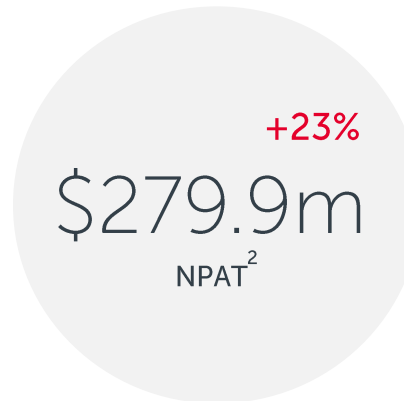
REA Group Limited Investor & Analyst presentation

Full year results, 30 June 2018



"Change the way the world experiences property"

Full year financial metrics



1. Revenue is defined as revenue from property advertising and revenue from financial services less expenses from franchisee commissions disclosed in the Consolidated Financial Statements as operating income. 2. Financial results/highlights from core excludes significant non-recurring items such as revaluation and unwind of contingent consideration, transaction costs relating to acquisitions, brand write-off and the impact of the change in US tax rates on results of Move, Inc. In 2017, this included items such as revaluation, unwind and finance cost of contingent consideration, foreign exchange (FX) on proceeds from European operations, impairment charge, transaction costs and discontinued operations (net of gain on sale).

realestate.com.au is the #1 place for property

Outperforming the competition – the largest and most engaged audience on all devices



Total visits
74.6m

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

more than
2.6x



App launches
23.9m

Average monthly launches of the realestate.com.au app²

more than
2.7x



Time on app
25% growth

Average monthly total time across app³

more than
3.8x⁵



App downloads
1.2m

Downloads of realestate.com.au app in FY18⁴

more than
7.9m⁶

1. Nielsen Market Intelligence, average monthly visits to the realestate.com.au site plus Nielsen Digital Content Ratings, average monthly launches of the realestate.com.au app (Jul 17 – Jun 18) 2. Nielsen Digital Content Ratings, average monthly launches of the realestate.com.au app (Jul 17 – Jun 18) 3. Adobe Analytics, average monthly time on realestate.com.au app, Jul 17 – Jun 18, compared to previous 12 months 4. App Store and Google Play, realestate.com.au app downloads (Jul 17 – Jun 18) 5. Nielsen Digital Content Ratings, total time on app compared with nearest competitor (Aug 17 – Jun 18) 6. Total downloads on App Store and Google Play to June 2018. Unless otherwise indicated, metric multiples refer to the lead over the nearest competitor site and/or app

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



Highlights from Property Advertising

New experiences for our customers

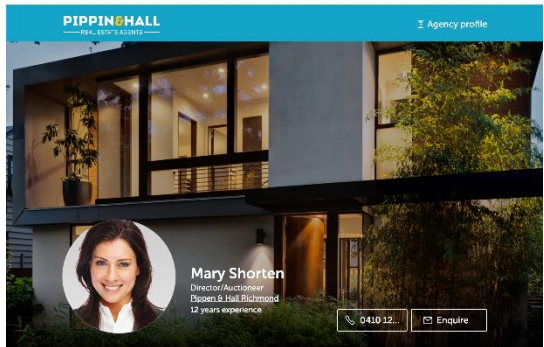
- **Agent Edge**, a suite of agent branding products to improve their presence on realestate.com.au. Products released include Agent Elevate and Agent Match
 - Agents receive **32% more views** to their profile page with Agent Elevate¹
 - **475 subscribers to Agent Elevate** in the first week²
 - Agent Match has delivered over **1,500 leads** since launching³
- Introduced **Audience Maximiser All**, allowing customers to automatically boost the reach of all their listings.
 - Audience Maximiser **increased 140%** in revenue⁴

Agent Elevate

realestate.com.au

PIPPIN HALL
— 1910 • 400m² —

Agency profile

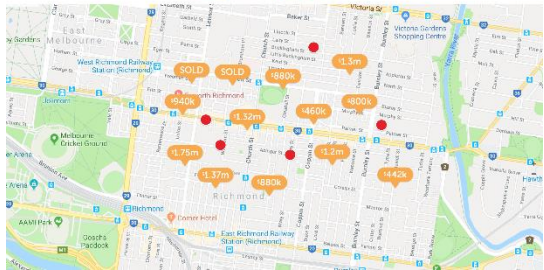


Mary Shorten
Director/Auctioneer
Pippin & Hall, Richmond
12 years experience

0410 12... Enquire

Mary's properties

104 Sold 16 For sale

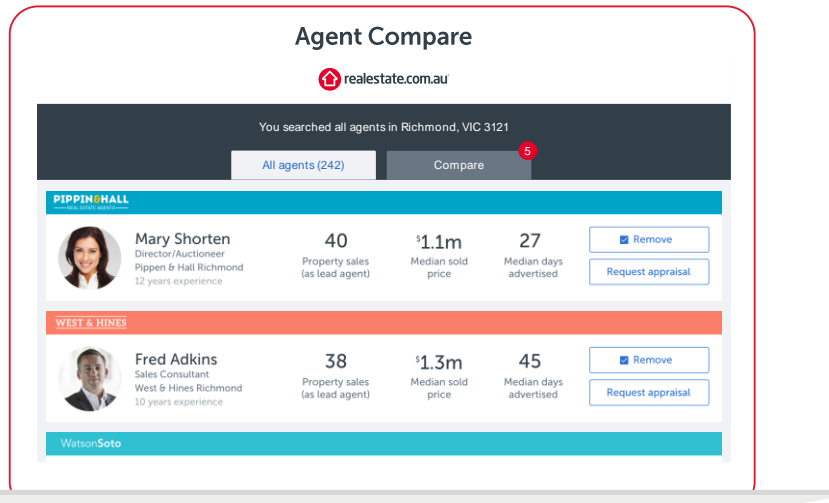


1. Adobe Analytics, average increase in agent profile page views comparing at least 30 days pre and post activation of Agent Elevate (Jul 2018). 2. REA Internal Data, number of subscribers to Agent Elevate (11 April – 18 April 2018). 3. REA Internal Data, number of leads delivered via Agent Match (May 17 – Jul 18). 4. REA Internal Data, revenue increase for the year ended 30 June 2018 compared to the previous year.



Highlights from Property Advertising

Enhancing our experiences for our customers and consumers



- Strengthened our off market property offering for home owners by improving our value estimates tool
 - Over **2 million** new properties added,¹ increasing our data coverage to more than 13.5 million addresses in Australia
 - **46% growth** in consumers claiming properties²
- Introduced **Compare Agents** to support consumers looking to sell their home
 - More than **27,000 agents** have been compared since launch³
- Improved our **1Form** experience to help renters easily apply for properties and enriched the mobile experience
 - Our new Pet Profiles feature saw **4,000 pets** added to 1Form applications within the first 24 hours⁴
 - More than **2.8 million** applications on 1Form⁵
- Created a **New Homes** experience, bringing together the latest news, research, builders and home designs
- More than **500 new Developer customers** now doing business with us⁶

1. REA Internal Data, number of properties added to realestate.com.au (Nov 17 - Jun 18). 2. REA Internal Data, total number of claimed properties on realestate.com.au, Jul 17 - Jun 18, compared to the previous comparative period. 3. Adobe Analytics, number of individual agents added to 'compare agents' on realestate.com.au (Dec 17 - Jun 18). 4. REA Internal Data, total applications including Pet Profiles (10 Apr - 11 Apr 2018). 5. REA Internal Data, total number of 1Form applications created (Jul 17 - Jun 18). 6. REA Internal Data, number of new Developer customers (Jul 17 - Jun 18).



Hometrack Australia acquisition

Delivering more property data and insights to our customers and consumers

- 100% acquisition completed in June 2018
- Leading provider of property data services to the financial sector
- Deep relationships with the major Australian banks and 9 out of the top 10 Australian lenders
- Access to all property transactions across all states and territories
- Acquisition to deliver cost synergies in the REA business once fully integrated
- Possible long-term offshore opportunities

\$14-16m

FY19 Revenue

\$6-7m

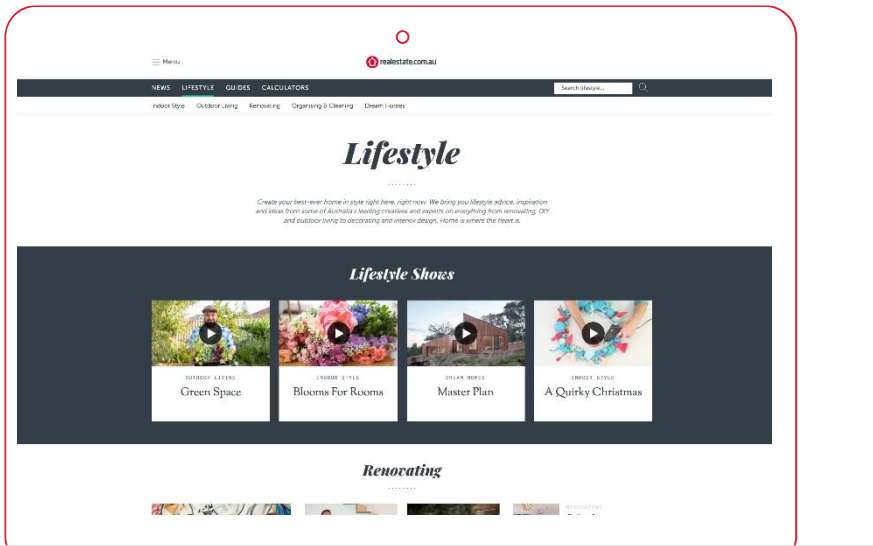
FY19 EBITDA



hometrack

Beyond property advertising Lifestyle & Content

realestate.com.au is Australia's #1 producer and publisher of original property content

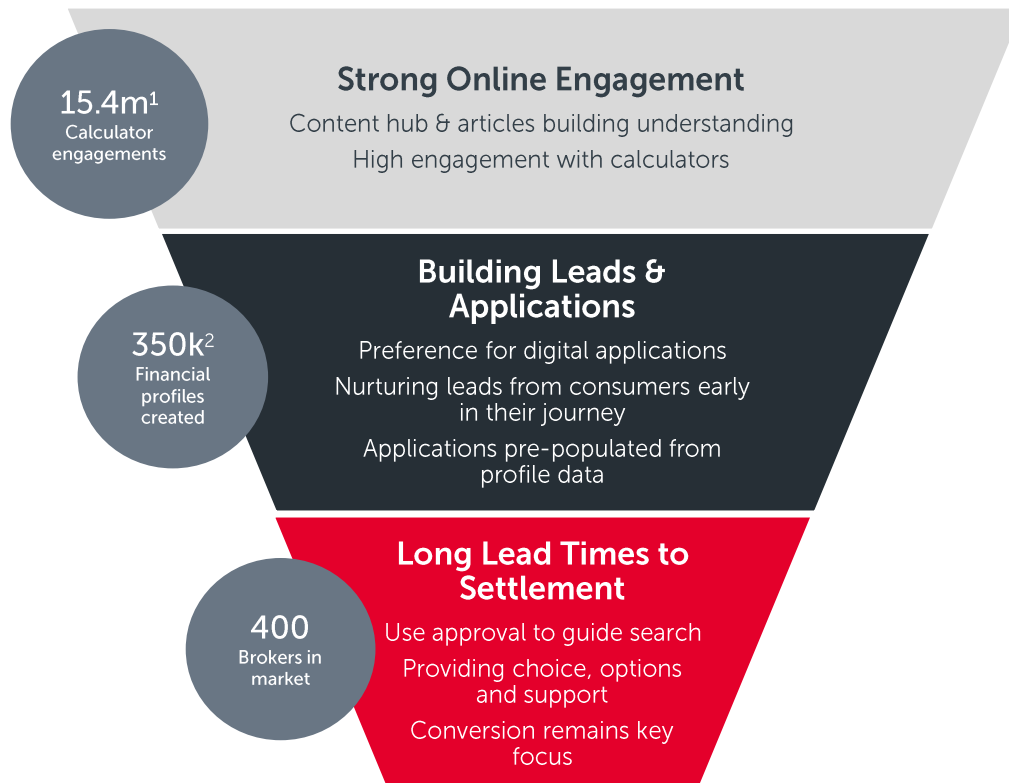


- Revenue for Lifestyle increased by **250%**
- Lifestyle has received more than **20 million** visits since launch¹
- Lifestyle has published over **1,955 articles** since launch²
- There has been a **28% growth** in Lifestyle & Content traffic in 2018³
- Our video experience has seen a **200% increase** in video views⁴

1. Adobe Analytics, total number of visits to realestate.com.au/lifestyle (Mar 17 – Jun 18) 2. REA Internal Data, total number of articles published on realestate.com.au/lifestyle (Mar 17 – Jun 18) 3. Adobe Analytics, number of visits to realestate.com.au/lifestyle and realestate.com.au/news compared to the year prior (Jul 17 – Jun 18) 4. Brightcove Analytics, total number of video views - compared to the year prior (Jul 17 – Jun 18)

Beyond property advertising Financial Services

Australian-first experience on realestate.com.au, in partnership with NAB, integrating property search and finance



Search. Find. Finance.
All in one place with Smartline and realestate.com.au brokers

this is the place 

1. REA Internal Data, total number of calculator engagements (an instance of a field on the calculator being changed) (Sep 17 – Jun 18). 2. REA Internal Data, total number of financial profiles created (Sep 17 – Jun 18).

Global Network

Our long-term growth strategy looks to extend our expertise to large and growing markets

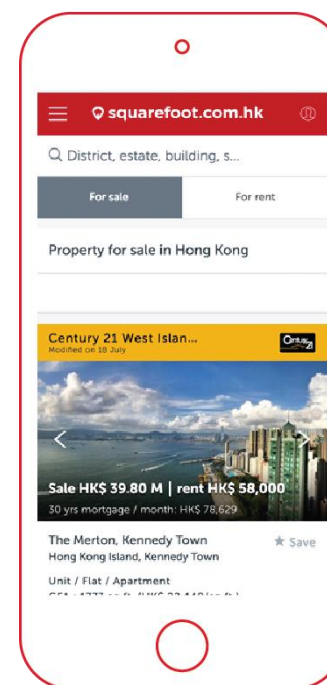




Strengthening our leadership in Asia

We have the best product in market for customers and consumers

- Launched **new apps** in Malaysia, Hong Kong, Indonesia and Singapore
- Launched **new regional websites** in Malaysia, Hong Kong, Indonesia and Singapore
- **Fastest growing** property portal in Singapore, moving from #4 to #2 position¹
 - **116% growth** in visits in Singapore²
- Remain the **#1 property** portals in Malaysia and Indonesia³
 - **1.6x visits** in Malaysia than #2 site⁴
- Voted **#1 consumer brand** in Indonesia⁵ and Malaysia⁶



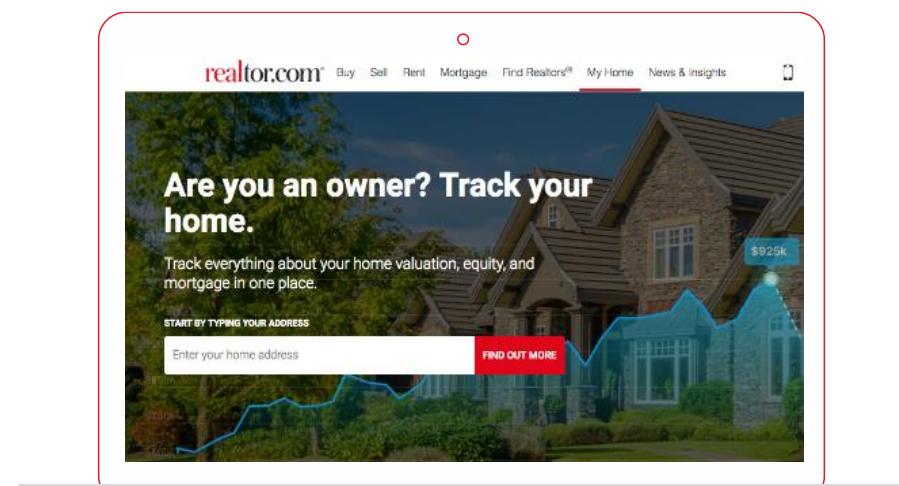
1. Similar Web, average monthly visits for iProperty.com.sg site in Singapore compared to its nearest competitors as at June 18. 2. Similar Web, total number of visits to iProperty.com.sg site in Singapore (Oct 17 – Jun 18). 3. Similar Web, average monthly visits for iProperty.com.my site in Malaysia and rumah123.com site in Indonesia compared to their nearest competitors for the 12 months ended 30 Jun 18. 4. Similar Web average monthly visits for iProperty.com.my site in Malaysia (Oct 17 - Jun 18). 5. Marketing Magazine, best online property portal award (May 18). 6. Frost & Sullivan Excellence Award, best online property portal (Jun 18).



Strategic Investments United States

Our strategic investment in Move, Inc. continues to perform well

- Revenue increased **15% to USD\$452m**¹
- Leading in consumer engagement - **1.7x more page views**² and **1.2x more time per visit**³ than its nearest competitor
- Launched a **faster search experience**, increasing visits and leads for customers
- Expanded beyond search with the introduction of **My Home**
- Released **Realsuite**, a self-serve solution to help agents manage their business
- Unveiled a **New York specific experience**, including enhanced building pages, additional property types and building amenities



1. NewsCorp's Earnings Release stated in US Dollars (9 August 2018) for the year ended 30 June 2018. 2. comScore, total number of page views to the site realtor.com compared to its nearest competitor (Jul 17 – Jun 18). 3. comScore, total amount of time spent per visit on realtor.com compared to its nearest competitor (Jul 17 – Jun 18).



Strategic Investments India

Our strategic investment in PropTiger made great progress



- **Revenue increased 48%** in FY18
- Combined traffic to all three platforms **increased 43%**¹
- Housing.com launched a broker product, activating more than **3,000 paid brokers** in less than 12 months since launch²
- Makaan reached leadership with **more listings** than any other platform³

1. Google Analytics, total visits to proptiger.com, housing.com and makaan.com for the period Jul 17 – Jun 18 compared to the year prior. 2. PropTiger Internal Data, June 18 3. Makaan Internal Data, total number of listings on makaan.com versus other property sites, Jul 17 – Jun 18



Financial Highlights

Full year results, 30 June 2018

Financial operating results

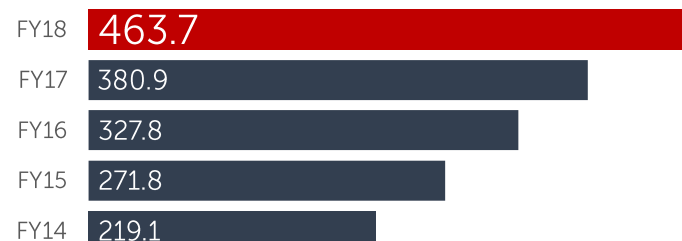
Performance (\$m)	FY 2018	FY 2017	Growth
Revenue⁽¹⁾			
Australia	734.1	629.0	17%
Financial Services	29.3	4.6	>100%
Asia	44.3	37.7	18%
Group Revenue	807.7	671.2	20%
EBITDA^(2,3)			
Australia	470.7	402.5	17%
Financial Services	11.5	1.6	n/a
Asia	8.3	2.5	>100%
Associates	(7.8)	(4.4)	-76%
Corporate	(19.0)	(21.2)	10%
Group EBITDA^(2,3)	463.7	380.9	22%
<i>EBITDA Margin</i>	57%	57%	
NPAT⁽³⁾	279.9	228.3	23%
Cash Balance	115.8	358.5	-68%
Earnings Per Share (EPS) cents ⁽³⁾	212.5	173.3	23%
Dividend Per Share cents	109.0	91.0	20%

Reconciliation to Financial Statements (\$m)	FY18	FY17	Growth
NPAT from Core Operations	279.9	228.3	23%
Discontinued Operations	-	155.5	n/a
Revaluation and Unwind of Contingent Consideration	(2.1)	7.9	>-100%
Impairment	0.0	(182.8)	n/a
NCI Dividend	(0.4)	-	n/a
Brand Write-Off	(10.7)	-	n/a
Transaction Costs	(2.1)	(2.5)	-16%
US Tax Reform (Revaluation of DTA)	(11.5)	-	n/a
Reported NPAT	253.1	206.3	23%

Revenue (\$m)



EBITDA (\$m)



EPS (cents)



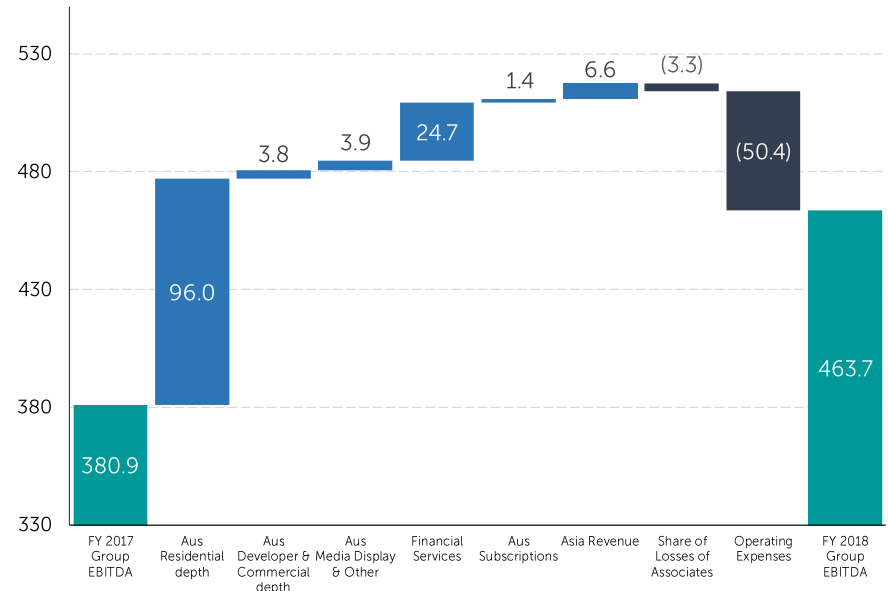
1. Revenue is defined as revenue from property advertising and revenue from financial services less expenses from franchisee commissions. 2. Information additional to IFRS measures contained in this presentation is derived from the financial report for the full year ended June 30 2018. 3. Financial results from core excludes significant non-recurring items such as revaluation and unwind of contingent consideration, brand write-off, transaction costs and one time impact of the change in US tax rates on Move's results. Also excluded from FY17 results are discontinued operations (net of gain on sale).

Strong EBITDA results

Australian premium listing products delivered outstanding growth

- Residential revenue growth due to the continued success of Premiere All
- Strong growth in the Commercial business and steady revenues in the Developer business despite the significant decline in project commencements
- Strategic expansion into Financial Services segment
- Operating expenses increase due to the inclusion of Financial Services, product innovation and investment in marketing

Group EBITDA (\$m)¹



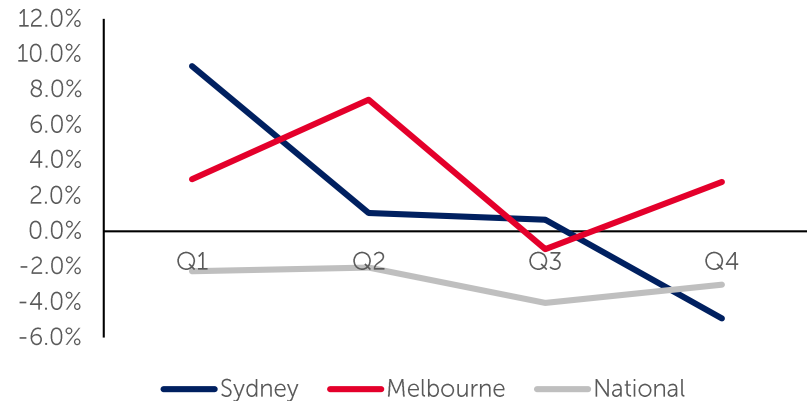
¹ Financial results from core excludes significant non-recurring items such as revaluation and unwind of contingent consideration, transaction costs, brand write-off and one time impact of the change in US tax rates on Move's results. Also excluded from FY17 results are discontinued operations (net of gain on sale).

Market conditions were mixed

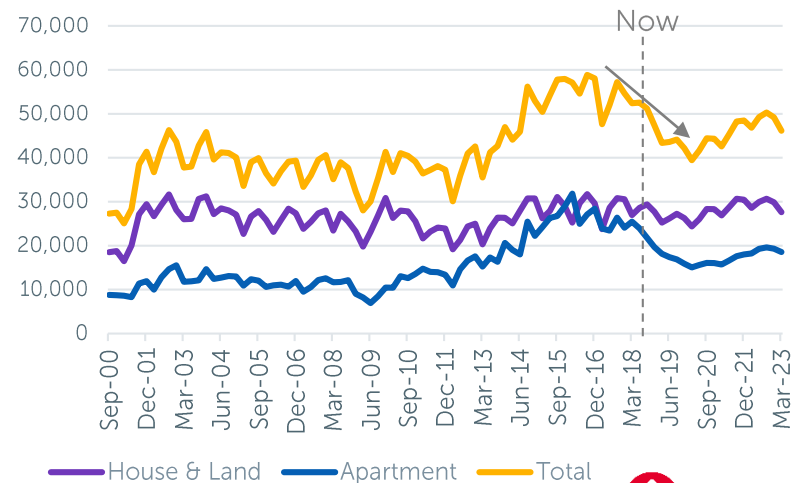
- Overall listings in Australia were down 2% but were up in Melbourne and Sydney providing a mix benefit as these are the highest yielding geographies
- In the first half of FY19 listing growth rates will reflect the prior year's strong listing environment in Melbourne and Sydney

- Developer revenue was steady in FY19 despite a significant decline in new project commencements
- House and land activity is forecast to remain steady and represents an opportunity
- BIS Oxford forecast apartment commencements to be 23% lower in FY19

Residential Listings Growth¹ % FY18



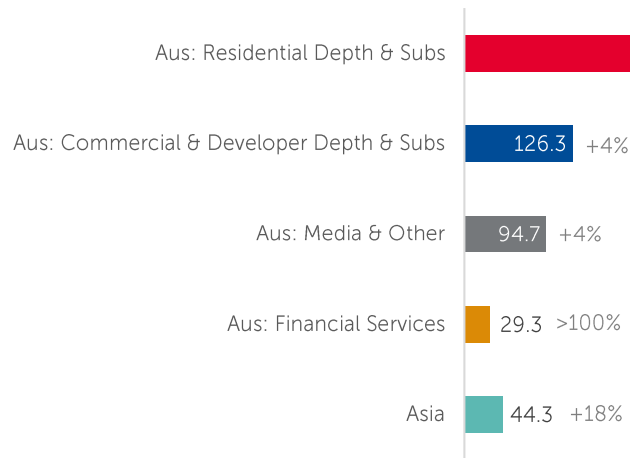
Dwelling Commencements



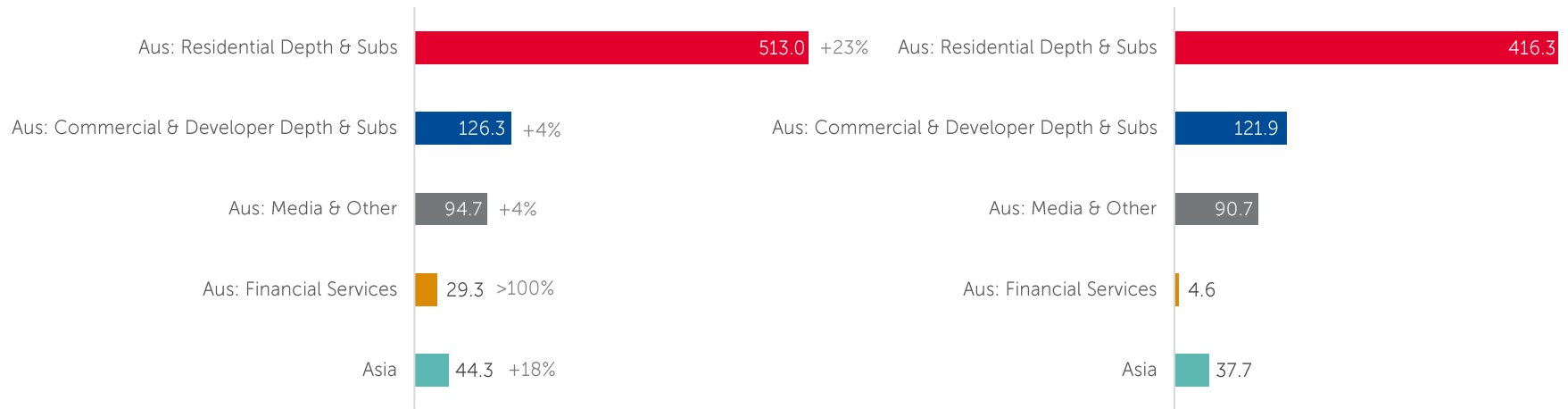
1. Source: REA Internal data for the year ended 30 June 2018.

Listing depth strategy driving revenue growth

FY 18 Group Revenue (\$m)



FY 17 Group Revenue (\$m)



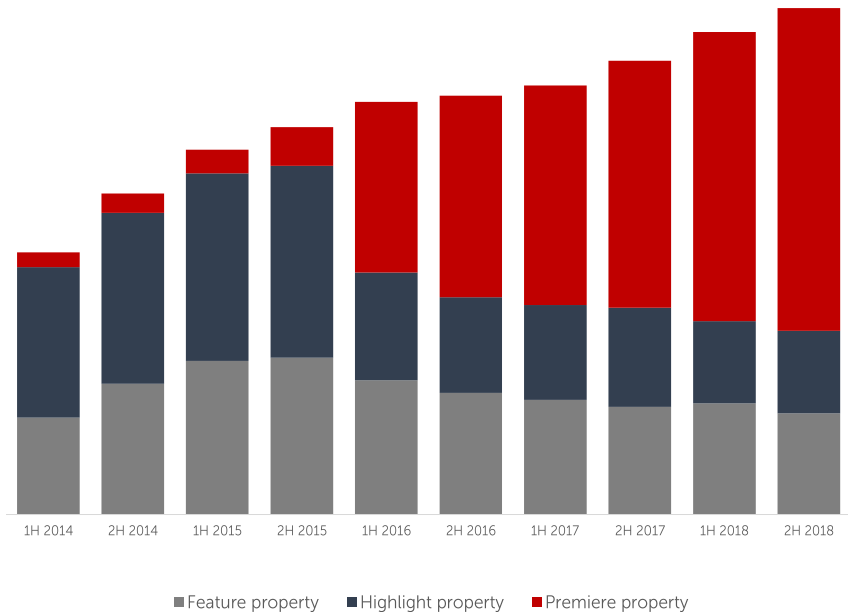
Revenue category (\$m)	FY 2018	FY 2017	Growth
Australia			
Listing depth revenue	581.5	481.8	21%
Subscription revenue	57.9	56.4	3%
Media display & Other	94.7	90.7	4%
Financial Services	29.3	4.6	>100%
Australian revenue	763.4	633.5	21%
Asia	44.3	37.7	18%
Total revenue	807.7	671.2	20%

realestate.com.au delivers value to customers

Successful take up of premium listing products

- Improved product mix and penetration driving growth
- Success of highest yielding listing product 'Premiere', providing superior returns to agents and vendors
- Strong renewal and increased take up of Premiere All at the end of FY18
- Increased listings in Melbourne & Sydney where depth penetration is highest
- New depth products such as Audience Maximiser and Front Page gaining traction

Residential Premium Listing Penetration (depth)



Asia results

Continuing to invest in marketing, talent & product innovation despite challenging market conditions

- Revenue and EBITDA growth due to MyFun, Thailand and Indonesia (inclusive of FX impact), and subdued cost growth
- Strengthened market leadership position in Malaysia and Indonesia
- Fastest growing property portal in Singapore moving from fourth position to the clear number two in the market
- Uncertainty from the lead up to the Malaysian elections in May. The removal of GST and introduction of sales and services tax has created uncertainty in this half

\$44.3m
+18%

TOTAL REVENUE

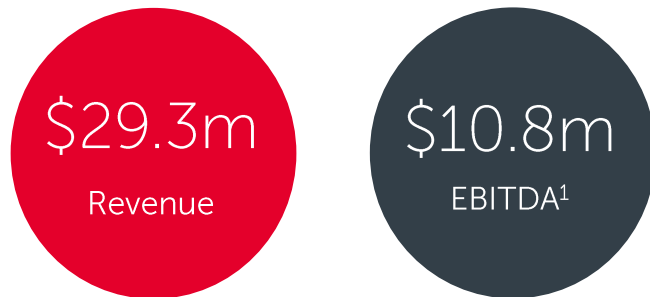
\$8.3m
+>100%

TOTAL EBITDA¹

1. Excludes associates.

Financial Services launched

Delivered growth through strategic expansion into Financial Services



- More than 400 brokers nationwide
- Combined loan book of \$28.3b
- Growing white label product
- Challenging broker recruitment market
- Tightening lending requirements from banks is slowing the rate of mortgage growth
- Strong online engagement, however long lead times to settlement

Building our brand and engagement



Property seekers have choice of preferred channel



Product options from an extensive range of lenders



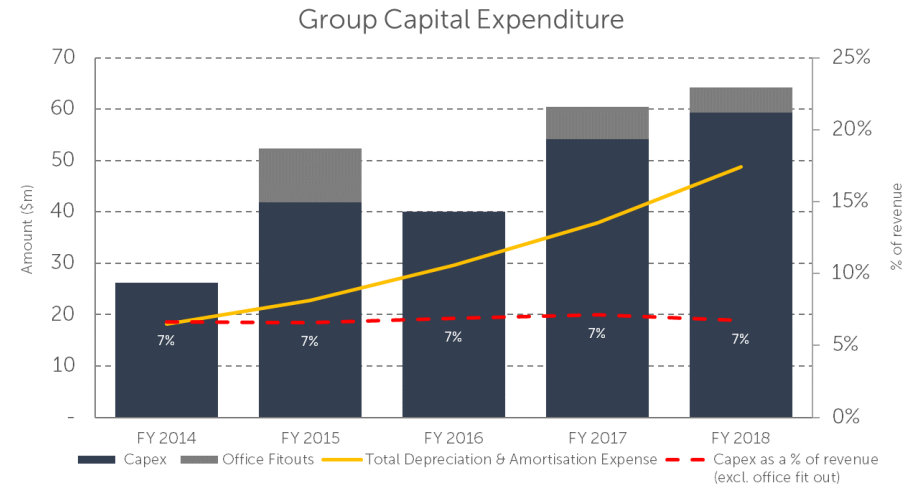
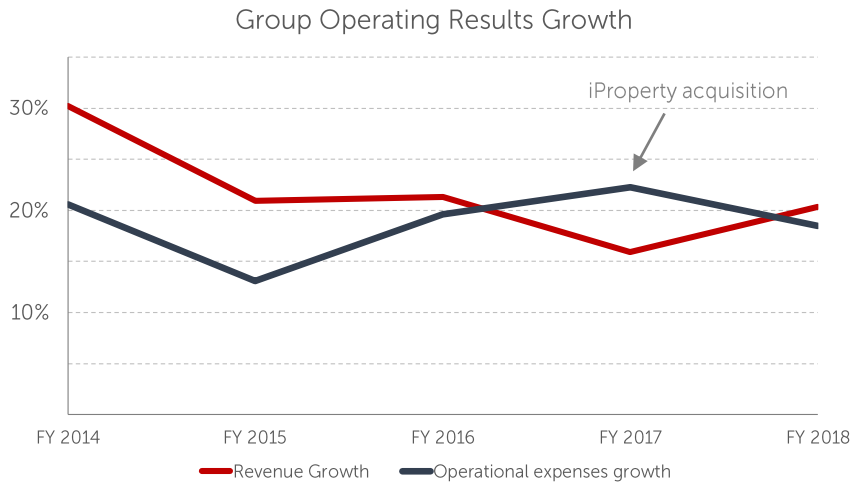
REA earns upfront commissions and partnership funding

REA earns upfront and trailing commissions

REA earns upfront and trailing commissions

1. Includes associates

Operating results & capital expenditure



For the full year FY19 the target is for the rate of revenue growth to exceed the rate of expense growth however this will not be the case in every quarter.

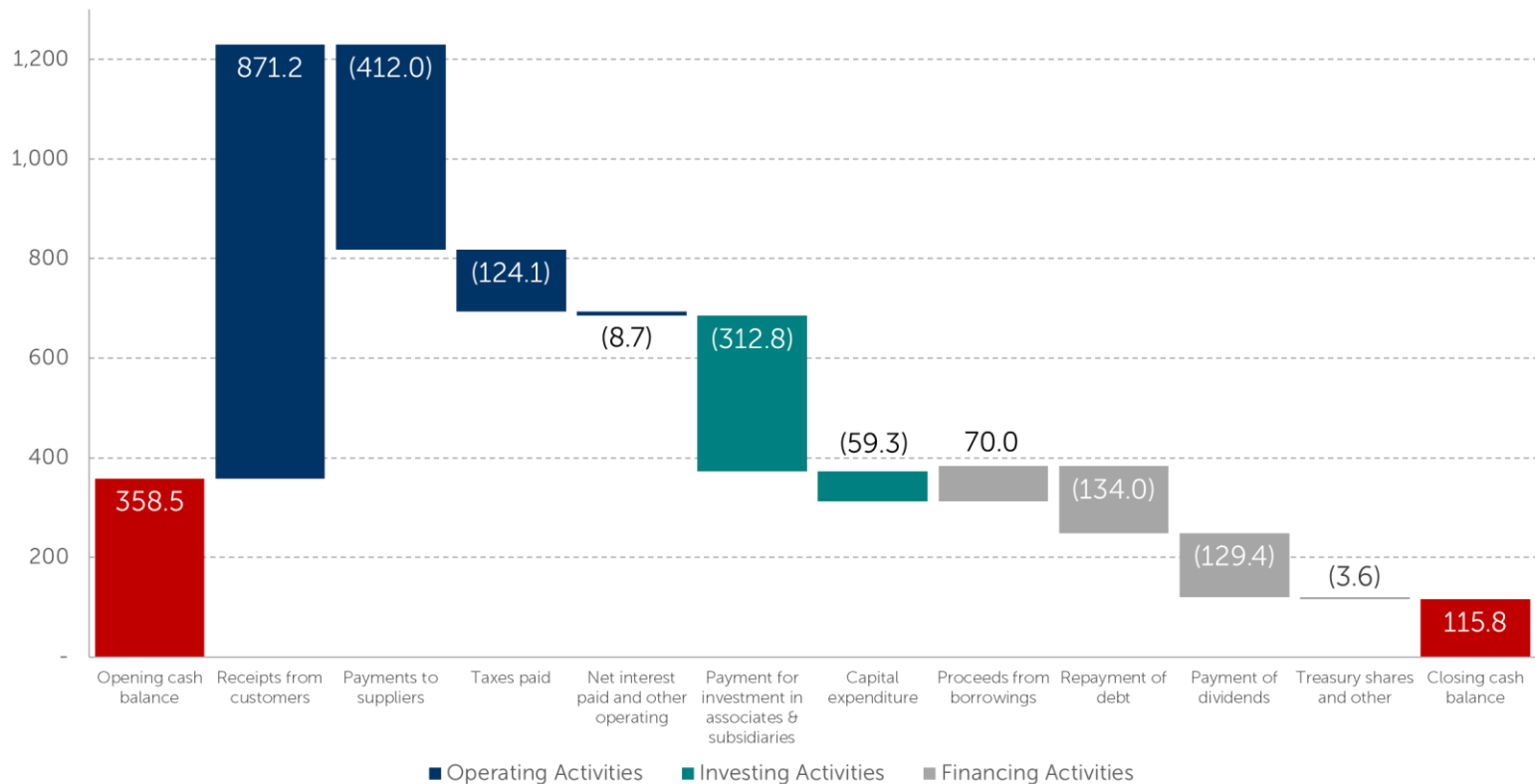
REA Group \$m	FY 2018	FY 2019 ¹
Core ² D&A	44	48 - 52
Amortisation of acquired intangibles	5	8 - 9
Total	49	56 - 61

1. FY19 guidance only. 2. Core refers to depreciation and amortisation on internally generated intangibles and CAPEX.

Cash flow

Reduction in cash position due to funding of new investments and repayment of debt

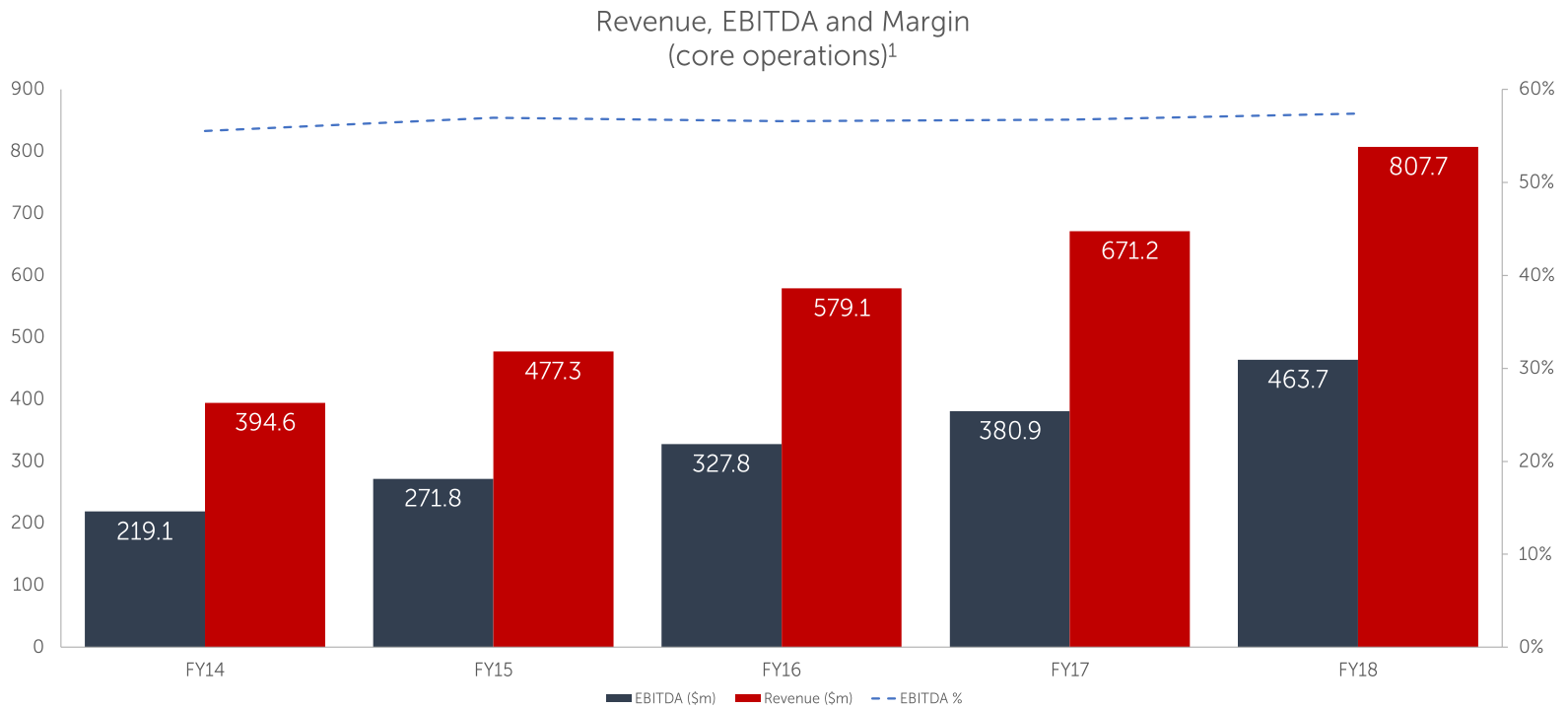
Group cash flow (\$m)





Supplementary Information

Historical Revenue and EBITDA



1. Financial results from core excludes significant non-recurring items such as revaluation and unwind of contingent consideration, transaction costs, brand write-off and one time impact of the change in US tax rates on Move's results. Also excluded from FY2017 results are discontinued operations (net of gain on sale).

Financial comparatives

Group Results	Core Operations ¹										Financial Statements
	FY2014		FY2015		FY2016		FY2017		FY2018		FY2018
	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m
Total Revenue	394.6	30%	477.3	21%	579.1	21%	671.2	16%	807.7	20%	807.7
Total Operating Income	394.6	30%	477.3	21%	579.1	21%	671.2	16%	807.7	20%	807.7
Operating Expenses	(175.5)	21%	(198.5)	13%	(237.4)	20%	(285.8)	20%	(336.2)	18%	(349.2)
Share of losses of associates	0.0	n/a	(7.1)	>100%	(13.8)	96%	(4.4)	-68%	(7.8)	76%	(19.3)
EBITDA	219.1	39%	271.8	24%	327.8	21%	380.9	16%	463.7	22%	439.2
EBITDA Margin	56%		57%		57%		57%		57%		54%
Depreciation & Amortisation	(18.2)	6%	(22.9)	25%	(29.7)	30%	(37.8)	28%	(48.7)	29%	(48.7)
EBIT	200.9	43%	248.9	24%	298.2	20%	343.1	15%	415.0	21%	390.5
Net finance income/(expense)	9.3	n/m	3.5	-63%	(4.3)	>-100%	(10.8)	>-100%	(8.1)	-25%	(12.8)
Earnings before tax	210.2	41%	252.4	20%	293.8	16%	332.3	13%	406.9	22%	377.7
Income tax expense	(61.9)	42%	(74.9)	21%	(89.6)	20%	(104.0)	16%	(127.0)	22%	(124.6)
Net Profit	148.3	40%	177.4	20%	204.3	15%	228.3	12%	279.9	23%	253.1
Dividends per share (DPS) (cents)	57.0	37%	70.0	23%	81.5	16%	91.0	12%	109.0	20%	109.0
Earnings per share (EPS) (cents)	112.6	40%	134.7	20%	155.1	15%	173.3	12%	212.5	23%	191.9

1. Financial results from core excludes significant non-recurring items such as revaluation and unwind of contingent consideration, transaction costs, brand write-off and one time impact of the change in US tax rates on Move's results. Also excluded from FY2017 results are discontinued operations (net of gain on sale).

Cash flow reconciliation

Cash flow reconciliation (\$m)	FY 2018	FY 2017	Growth
EBITDA ⁽¹⁾	463.7	380.9	22%
Working capital movement	(3.8)	19.7	n/m
Net interest paid	(6.6)	(11.4)	(42%)
Income taxes paid	(124.1)	(95.1)	31%
Capital Expenditure	(59.3)	(54.2)	9%
Other	(2.2)	2.6	n/m
Free cash flow	267.7	242.6	10%
Payment for acquisition of subsidiary	(307.8)	(4.6)	n/m
Net repayment of borrowings	(64.0)	(4.0)	n/m
Investment in associates	(5.0)	(69.6)	n/m
Proceeds from sale of subsidiaries	-	181.8	n/m
Dividends paid	(129.4)	(113.0)	14%
Other	(4.2)	4.8	n/m
Net cash (outflow)/inflow	(242.7)	238.3	n/m

1. Financial results from core excludes significant non-recurring items such as revaluation and unwind of contingent consideration, transaction costs, brand write-off and one time impact of the change in US tax rates on Move's results.

Visit our
investor site at
rea-group.com

Disclaimer: This presentation contains non-specific background information about REA Group's current activities. This information is a summary only. Investors and potential investors should obtain independent advice. This information is not intended to provide advice to investors or potential investors and does not take into account the individual investment objectives, financial situation or needs of any particular investor(s). These factors should be considered when making investment decisions.

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