



RE Group

Investor & Analyst Presentation iProperty Group acquisition

2 November 2015

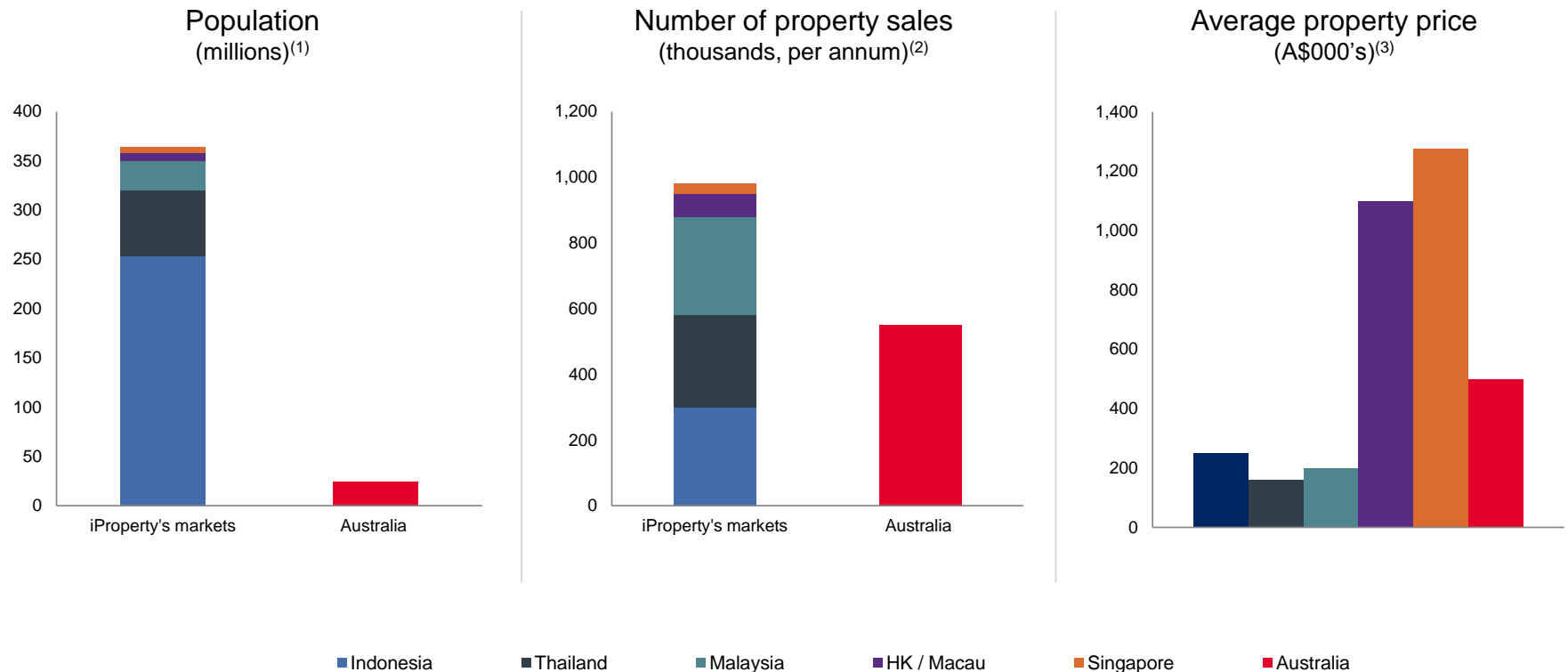
Tracey Fellows – Chief Executive Officer
Owen Wilson – Chief Financial Officer

Introduction

- REA to acquire iProperty in recommended transaction
- iProperty owns the leading property portals in Malaysia, Hong Kong, Thailand and Indonesia
- South East Asia is underpinned by highly attractive macroeconomic factors with strong growth prevalent across the region
- REA is offering Cash Consideration of \$4.00 per share
- Alternatively, iProperty shareholders can elect Mixed Consideration comprising cash and shares in a newly formed, unlisted public company
- The iProperty directors, who are not REA nominees, have recommended that iProperty shareholders vote in favour of the Scheme, subject to no superior proposal emerging and an Independent Expert giving an opinion that the Scheme is in the best interests of iProperty shareholders (other than REA)

South East Asian market opportunity

- The real estate market is expected to continue to grow strongly underpinned by growing populations and GDP per capita
- Collective recorded property sales outpacing Australia with average property prices in some regions also ahead and growing strongly



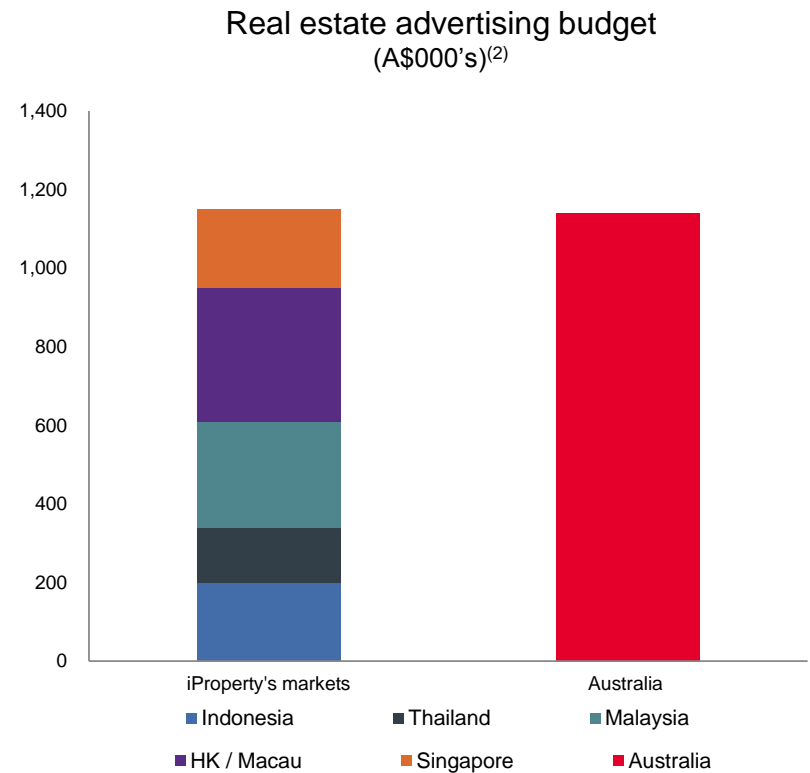
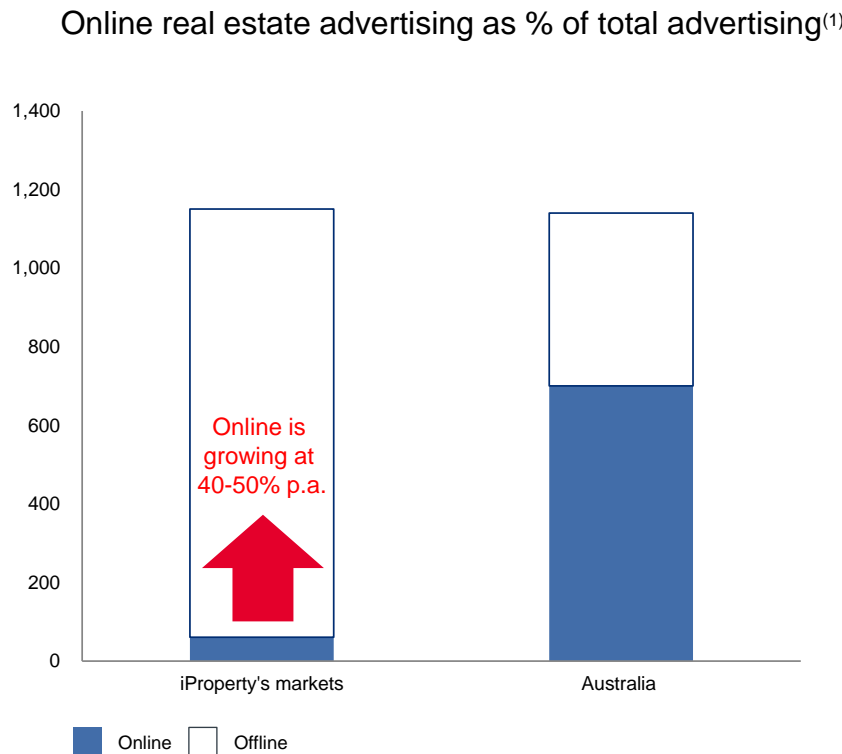
(1) Source: World Bank, United Nations.

(2) Source: IPP, CoreLogic, SBR, REA, IC (Malaysia).

(3) Source: IPP, CoreLogic, SRX, REA, R123.

Real estate advertising shifting online

- The transition from offline real estate advertising to online is at an earlier stage than in Australia but is accelerating and represents an enormous monetisation opportunity
- Particularly given the real estate advertising budgets in iProperty's markets are similar to that of Australia and growing faster

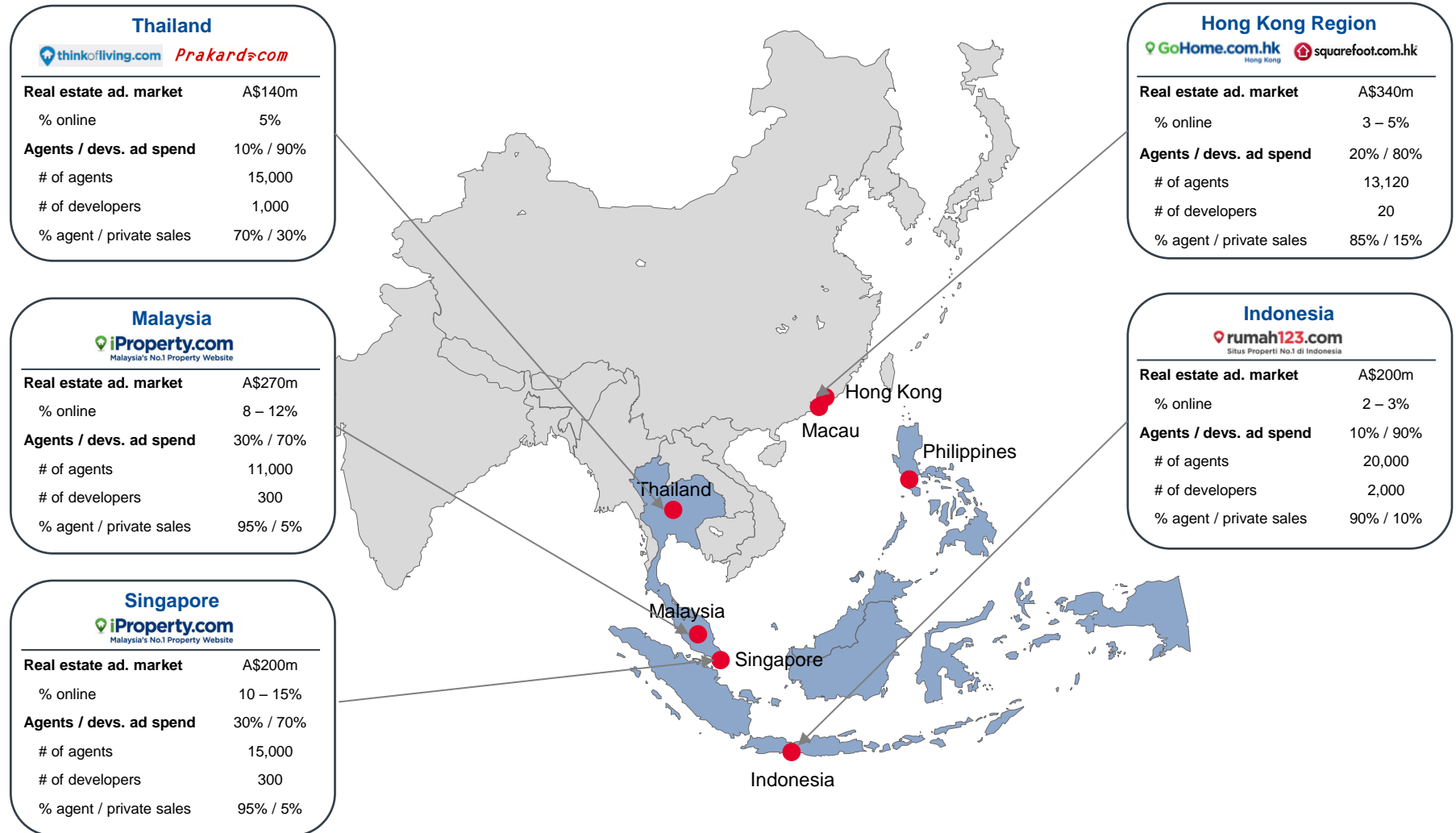


(1) Source: Frost & Sullivan, IPP, DATT, REA.

(2) Source: Frost & Sullivan, IPP, DATT, REA.

Overview of iProperty Group's footprint

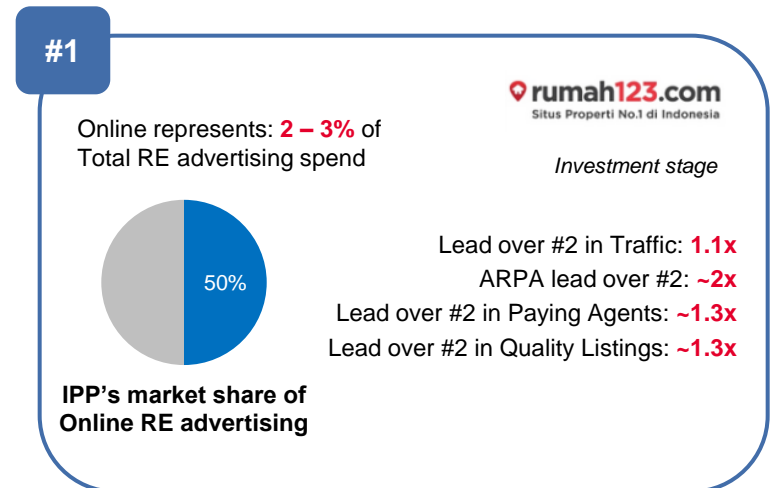
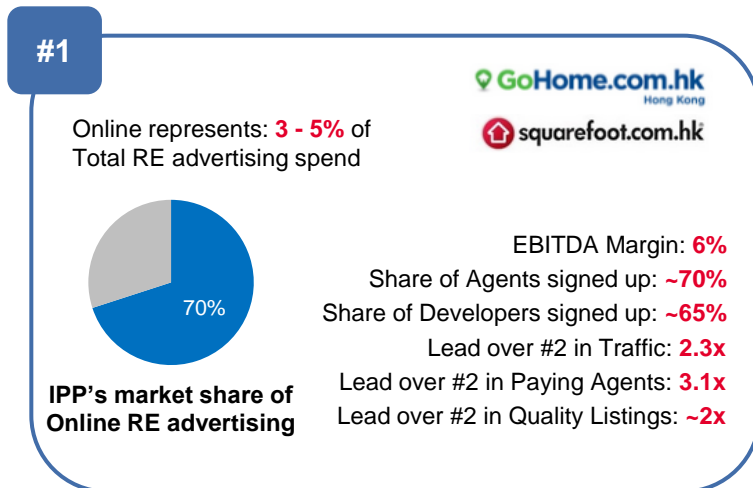
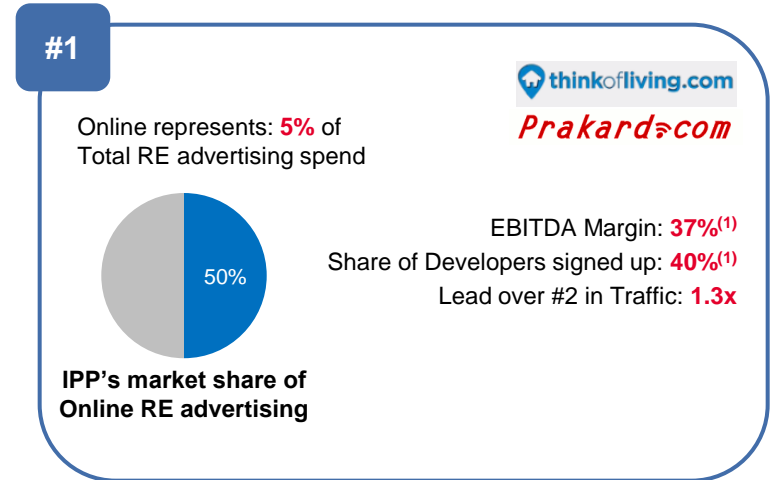
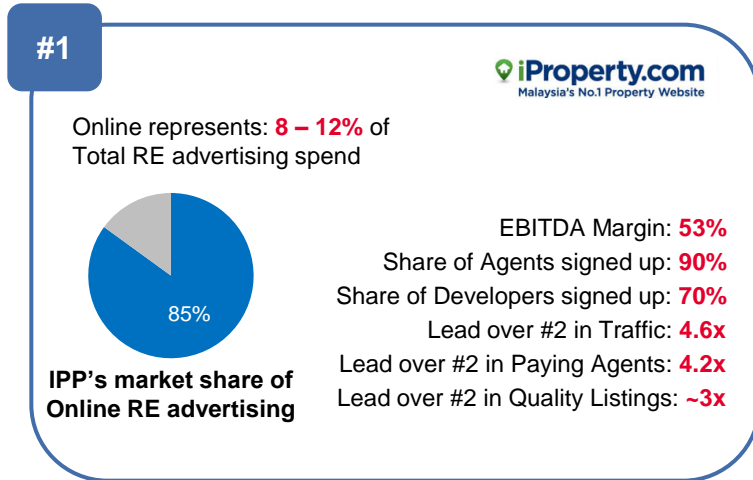
- iProperty Group owns the #1 online property portals across South East Asia. The key brands include:



Source: Frost & Sullivan, IPP, DAAT. REA. Statista, Credit Suisse, Effective Measure, Google Analytics, MRIA.

Leading positions in key markets

- iProperty Group holds the leading market position in key South East Asian online real estate markets



Source: Frost & Sullivan, IPP, DAAT, REA, Statista, Credit Suisse, Effective Measure, Google Analytics.

(1) Think of Living only.

Overview of transaction

- REA will acquire 100% of the share capital in IPP that REA does not already own
- To be executed by way of a scheme of arrangement
- IPP shareholders to receive cash consideration of \$4.00 per share
- Alternatively, IPP shareholders can elect to receive \$1.20 cash and 0.7 shares in a company which will provide indirect exposure to iProperty for a period of 2 years post closing
- The iProperty directors who are not REA nominees have recommended that iProperty shareholders vote in favour of the Scheme, subject to no superior proposal emerging and an Independent Expert giving an opinion that the Scheme is in the best interests of iProperty shareholders (other than REA)
- REA will fund the acquisition primarily from new debt facilities totaling \$480 million, with the remainder from existing cash
- REA's leverage will be approximately 1.5x net debt / EBITDA on a pro forma FY15 basis⁽¹⁾ but is expected to be lower post completion of transaction in Q1 calendar year 2016

(1) Pro-forma net debt based on REA net cash of \$78.9 million as at 30 June 2015, plus iProperty net cash of \$6.0 million as at 30 June 2015, plus \$500 million of maximum cash funding under the Scheme. Pro-forma EBITDA based on REA FY15 EBITDA of \$285.8 million to 30 June 2015 and iProperty last twelve months EBITDA of \$(2.1) million to 30 June 2015 (post expenses associated with share based options).

Strategic rationale

Highly attractive macroeconomic environment with strong growth prevalent across the region

Track record of strong growth long-term growth in key operating and financial metrics

Quality management team

Leading property portals in Malaysia, Hong Kong, Thailand and Indonesia

Significant scope for ongoing future growth under REA ownership

Consistent with REA strategy of investing in high growth regions



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