

**ASX Announcement
8 November 2016**

**REA Group 2016 Annual General Meeting
Melbourne, Australia**

Chairman Addresses

Good afternoon. I'm Hamish McLennan, Chairman of REA Group Ltd, and on behalf of the Board I'm delighted to welcome you to our 2016 Annual General Meeting. Thank you for taking the time to attend.

Today's proceedings will be digitally recorded and will be made available on the Investor section of our website following this meeting.

In the highly unlikely event of an emergency, exits are located at the rear of this room and at the rear of the foyer.

Before we commence our formal proceedings, I would like to acknowledge the traditional owners of the land on which we are meeting and pay my respects to Elders, past and present.

The Company Secretary informs me that a quorum is present and I now declare the meeting open.

I would now like to introduce my fellow Director - Tracey Fellows, our Chief Executive Officer, and our Non-executive directors: Roger Amos, Kathleen Conlon, Richard Freudenstein, John McGrath, Michael Miller and Susan Panuccio.

We are also joined today by our Chief Financial Officer, Owen Wilson, and our General Counsel and Company Secretary, Sarah Turner and a number of the Executive Leadership Team.

The Company's auditors, Ernst & Young, are represented today by our Audit Partners, Mr David Peterson and Ms Alison Parker.

Before addressing today's formal Agenda items, I will say a few words about the 2016 financial year and Tracey will also make a brief presentation.

We will then move on to the formal part of the meeting and the Directors invite you to join us in the foyer for tea and coffee after the meeting.

2016 was an exciting year for REA Group as we continued to deliver on our strategy, growing into new markets where we see strong prospects for future returns.

I'm pleased to say our growth trend continued in the 2016 financial year and revenue from our core operations grew by 20%¹ to \$629.8 million¹.

Group EBITDA rose 22%¹ to \$347.3 million¹ and net profit increased by 16%¹ to \$214.5 million¹.

This is a particularly strong result given that property listings volumes were relatively flat² in Australia during the same period.

Our first quarter financial performance was released this morning and Tracey will talk to these results in her address.

Pleasingly for our shareholders, earnings per share increased by 16%¹ to 163 cents¹ and our total dividend for the year increased 16%¹ to 81.5 cents per share fully franked¹.

This is an exceptional achievement and the results are a credit to Tracey and our management team who are tirelessly focused on delivering on the Group's strategy and its global aspirations. This is supported by our recently evolved purpose to change the way the world experiences property.

The year was marked by expansion both globally and locally with the completion of our acquisition of iProperty Group, giving us a foothold in South East Asia and extending our operations which now span four continents.

In Australia we completed the acquisition of Flatmates.com.au, which is the market-leading site for the share economy in Australia with more than two million visits each month.³ This purchase has given us a unique opportunity to reach a new audience among consumers who are at a different stage in the property journey.

We also launched the Global Property Network - a collaboration with News Corp that brings together listings from around the world.

We have also further cemented our leadership position in Australia on the back of record audience and engagement and we've continued to see widespread growth, which is a great accomplishment given the current market environment and property listing volumes remaining largely flat² over the financial year.

¹ Financial results/highlights from core operations exclude 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. The EPS disclosed is based on the Net Profit from core operations.

² Source: CoreLogic (Australian residential market new buy listings for the year ended 30 June 2016 compared to 30 June 2015)

³ Source: Google Analytics average monthly visits for the year ended 30 June 2016.

Our flagship site, realestate.com.au, has maintained its strong leadership position in the Australian market. Compared with our nearest competitor, it attracted 2.1 times the number of visits⁴, while the average monthly time spent on the site was 6.1 times longer⁵.

For our agent customers, we are continuing to focus on delivering more value through premium listing products which are providing an increased return on investment to both agents and vendors.

We are equally focused on extending the value we provide to our consumers. During the year, we launched a simpler version of our flagship mobile app and introduced the ability for people to search for any residential property on realestate.com.au, to help people get a full view of the market, including providing a price estimate for off-market properties.

We are continually investing in our product offerings and innovation to maintain and extend our market-leading position. By working with our customers and consumers we have been able to evolve our products and change the way people look for property.

We are now executing against our global strategy and building a strong global network. Our expansion into new international markets this year has firmly placed REA Group on the map as an Australian-based multinational.

This year, we've continued to complement our European businesses by supporting their development of new products to drive growth, revenue and engagement. It's pleasing that revenue in these markets has continued to grow and the collaboration between our teams has increased brand awareness.

By far our most exciting move this year was the purchase of the remaining share of iProperty Group, which gives us a strong foothold into the Asian property market, which has enormous potential for growth over the medium to long term.

Our strategic investment in Move, Inc. and partnership with News Corp continues to be a successful venture for REA Group, allowing us to shape and share insights from North America, arguably the largest property market in the world.

In closing, the Board would like to extend our sincere thanks to you, our shareholders, for your continued support.

We are very focused on continuing to create value and deliver returns for all of our shareholders.

⁴ Source: Nielsen Online Market Intelligence Home and Fashion Suite average monthly visits for the audited site of realestate.com.au compared to domain.com.au, for the year ended 30 June 2016, excludes apps.

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.

REA Group is a strong and great business – the Group has achieved outstanding financial results over the past few years. We have a clearly articulated strategy that ensures that the Group is well positioned to continue delivering strong results and achieve growth over the medium to long-term. As you can see, we continue to outperform against our peers and this is reflected in our share price which has once again outperformed the S&P/ASX200.

We would also like to commend Tracey and the rest of the REA Group management team on an outstanding year and for their hard work. The team have provided excellent leadership throughout the year, ensuring our employees are engaged and focused on delivering outstanding results.

We thank the entire REA Group team for their hard work and contribution to our success this year.

Lastly, I would like to thank my fellow Directors for their guidance and commitment this year. Having a stable, committed and knowledgeable Board has ensured our strategy is consistent, and is being executed in a timely and efficient way. Their expertise and guidance has ensured the company has delivered strong results this year.

Thank you once again.

I will now hand over to your Chief Executive Officer, Tracey Fellows, to address the meeting.

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CEO Addresses

Good afternoon Hamish and welcome to our REA Group head office. Thank you everyone for joining us today.

As most of you would be aware, we reported our first quarter results earlier this morning to the market. So I thought I'd start by taking you through the result and then I'll spend some time going through the highlights of 2016.

Our revenue from core operations⁶ for the quarter ending 30 September 2016 delivered revenue growth of 16% to \$170m and EBITDA growth of 9% to \$90m.

This is a strong result and I want to put that in context. Housing volumes in Australia, our largest market, fell by 8% over the quarter⁷. So to deliver the revenue growth that we saw in spite of that listing fall is a really strong performance.

This is off the back of strong revenue growth in our Australian residential business of 14%, and also contribution from iProperty, which was not included in our previous results.

At the same time, we are continuing to invest new experiences and in other parts of the property journey. I'll share more about this in the presentation.

If I start with our purpose, our business has evolved over the last 12 months. While our business has very much been based on our purpose of *'making property simple, efficient and stress-free'*, today, we're more than that.

While it is still a business that recognises the importance of listings. It is also about having a world beyond that, in everything to do with property. We want people to be able to see the role that REA can provide in helping make property more accessible, and easier no matter what stage of the property journey they're in.

So in order to really accurately reflect that, we felt that we needed to evolve our purpose as well.

So now, our purpose as a company is to *change the way the world experiences property*. We'll do this by providing the best digital property experiences, providing transparent and accurate data that adds a lot of value for our customers and also provides great insights to consumers. We'll provide amazing news and content to help inform, educate and inspire the largest audience of property seekers in Australia.

⁶ Core operations is defined as Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and excludes share of losses from associates.

⁷ Source: CoreLogic estimate of New Listings for Sales for Australian Houses only (excluding units and land) for the quarter of Jul-Sep 2016, compared to Jul-Sep 2015.

Throughout 2016, we've continued to innovate and evolve that digital property experience. We've leveraged new technology and, in many cases, been the first to bring it to market, be that in Australia or globally.

If I start in Australia, realestate.com.au continues to maintain its strong leadership position with the largest and most engaged audience of property seekers in the country, with over two times more visits than our nearest competitor⁸.

We know that Australians love property and this result is reflected in our growing and highly engaged audience.

Consumers spend more than six times more time on our site⁹ and, on average, view five times more pages than our nearest competitor¹⁰.

In the September quarter alone, those numbers increase again, with over 7.5 times more time spent on site than our nearest competitor.¹¹ Mobile and app traffic continued to grow in 2016 and our app attracted 81% growth year on year¹², with more than 5.5 million app downloads¹³.

With more people looking and a more engaged audience, it's very true to say that if you're not on realestate.com.au, you're not on the market.

The three pillars of our strategy remain the same.

The first is property advertising, the foundation of our business, which is online property listings and supported by great data. We really believe that agents are going to continue to play an important role in the property transaction, an important part of our ecosystem, and an important part of the value that we want to add to them every day.

Both realestate.com.au and realcommercial.com.au – have both maintained their leading position in the marketplace. This year, we also added to our property experience, with share accommodation, acquiring flatmates.com.au.

Property related services is about engaging with people at every stage of their property journey, whether it's when they're looking to share, rent, buying or selling. Or whether it is dreaming about your next perfect home or renovation.

We want people to do more things with us. Connecting people with the right information at the right time.

8 Source: Nielsen Online Market Intelligence Home and Fashion Suite average monthly visits for the audited site of realestate.com.au compared to domain.com.au, for the year ended 30 June 2016, excludes apps.

9 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.

10 Source: Nielsen Online Market Intelligence Home and Fashion Suite average monthly page views for the audited sites of realestate.com.au compared to domain.com.au, for the year ended 30 June 2016, excludes apps.

11 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 3 months ended 30 September 2016, excludes apps.

12 Source: Adobe Analytics average monthly visits for the app for realestate.com.au for the year ended 30 June 2016 compared to the year ended 30 June 2015.

13 Source: Google Play and iTunes, Total Downloads to June 2016.

And the third pillar of our strategy is about being global. We've now extended our reach to four continents and eleven countries. And people can search for property all over the world with us. We'll leverage our scale, our knowledge and our capability to increase our speed to market and our competitiveness.

Our success has really been built on creativity and invention. We look for the best ways to provide unique experiences for our consumers and provide great value for our customers.

I just want to highlight a few of those examples for 2016.

We launched a completely redesigned app and that is all about making property search simpler, faster and smarter for consumers; and a way of keeping property seekers updated when things change at the houses and searches that they've been looking at. We know in a fast moving market like ours is, that can really make a difference to consumers.

We launched something called Suggested Properties, which uses predictive analysis to recommend properties that we know a consumer will like based on their search habits on our site – a market first in the country.

We launched something called Agent Search, because we know that for two-thirds of consumers, selecting the right agent is a really stressful part of selling their house, so we gave them a way to search for agents based on their area which they are selling their property and different types of properties, apartments or larger houses. But importantly, let them do that with the knowledge and data we have from years and years of being the number one property portal.

We also enable people to claim their property, whether they are an investor or home owner. That allows us to deliver really valuable insights to consumers, completely in context with the type of property they have and the area they are in.

We also know that we can and have aspiration to play an even more important role in helping people throughout their property journey. Whether they are looking to share, rent, buy, sell, invest or even renovate.

Our acquisition of flatmates.com.au has given us a strong foothold into the share accommodation market – they are the clear number one in the market with over two million monthly visits¹⁴.

While browsing to buy or looking for inspiration on our site, people can now use the renovation calculator to help them make a decision whether to buy a bigger house or to renovate the house that I have today.

We know that we have an important role to play in reducing the stress of moving, by providing an easy way for people to connect to a range of services they need when they move house.

¹⁴ Source: Google Analytics monthly average visits for the year ended 30 June 2016

For our Commercial consumers, we launched the first Android app, to allow people looking to either buy or lease commercial property to have easy access to what's on the market at their fingertips at any time.

As technology continues to evolve, we want to be able to bring new experiences to our customers and to consumers and they want it from a brand that they can trust.

We recently announced that we're creating something called REALABS, a purpose-built invention space right next door to our Melbourne headquarters. The newest technologies for consumers to experience property will come to life in this space.

Earlier this year, we trialled new augmented reality with Ray White Real Estate, which has received great feedback.

We're now moving even faster into the virtual reality space, and will have something to share with Australian consumers very soon.

In terms of our global strategy, we've continued to make progress in Europe, where we've seen our customer base grow and our listings grow, and improve our position in some of the highly competitive markets, with revenue in Europe growing 11% year on year.

Our Italian business has really been focused on delivering a much better and stronger consumer experience, using some of the learnings we have from Australia in redesigning their home page and delivering new mobile experiences. And that has resulted in a 76% growth in unique visits to our mobile site¹⁵.

And we continue to be the clear number one in Luxembourg.

We also, as you know, made an investment in realtor.com, which has gone from strength to strength.

They've delivered record consumer audience results – with web and mobile site users increasing to 53 million for the year – a 17% increase¹⁶, and they've done that by creating a new web experience and design, a new and innovative app, and a great new marketing and branding campaign. Clearly staking out as the number two in North America.

2016 was also the year we acquired iProperty, to give us a strong foothold in Southeast Asia. With a population of over 500 million people and over one million transactions of property – we know that this is a region that is poised for greater growth.

We also know that with the flow of property purchases, Australia is an important destination for Southeast Asian property seekers and we believe that we have a great opportunity to bring together buyers and sellers and do that in a way that creates a great consumer experience and great value for our customers.

15 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.

16 Source: Internal Move data includes web, mobile and native apps for 3 month period ended 30 June 2016 and 30 June 2015.

And this transition from offline to online is still very early in many of these markets.

We continue to be the number one in both Malaysia and Hong Kong¹⁷ and are excited by the growth opportunities we see across the region.

Key to our global strategy is leveraging the power of our network. Our Global Property Network is a really amazing example of that.

We launched in July and we now have 4 million listings across 72 countries¹⁸, Together with our Australian listings both on and off-market, Global Property Network is the world's largest source of global property with more global listings than any other network. You can search for property in places as diverse such as Latvia to Jamaica – and everything in between.

But everything we do comes from the people who make up our business. 1500 diverse and passionate people who bring all of themselves into work every single day.

We work really hard to build diverse teams. Diverse in many ways, diverse in culture, diverse in thinking, diverse in styles and yes, gender. 40% of our senior management are female and 43% of our total employee base is female.

In Australia, we launched one of the most innovative parental leave programs, recognising that these valuable people are those we want to keep in our company for the long term, building our talent for today and tomorrow.

We also updated our global values. Being a more global company now, we know that values are an important part of how we'll continue to build the great culture of REA and extend that to other countries. Our new values are to Own it, Re-imagine it, Inspire it, Do it as one team, Keep it Real and most of all, Do it with Heart.

And if I finish it with Doing it with Heart, that's really something we bring to our work, both how we work in our business and also the role we have in our community.

In Australia, we partnered with Launch Housing and we launched the Rapid Rehousing Fund. This is about providing emergency housing for women and children who have been victims of domestic violence. I'm very proud that we've been able to keep over 800 people, and over 500 children out of homelessness.

That's an average of almost six families a week who've been able to avoid homelessness, as a result of our contribution.

In closing, before I hand back to Hamish, I want to thank the Board and Hamish for all of their support, and importantly the people who are part of REA Group for their dedication and passion they show as they turn up to work every single day.

¹⁷ Source: Similarweb for iProperty sites in Malaysia and Hong Kong at 30 June 2016 compared to the nearest market competitor.

¹⁸ Source: Number of on market listings on Global Property Network, REA Internal Data, 30 September 2016

I would like to leave you with a video. This is a video that showcases some of the innovation and invention that we've already brought to market, but also a little glimpse of what might be possible. Some of what you see will be available soon, some a little longer down the track. But I thought it might spark your imagination.

Thank you very much.

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