

ASX Announcement 6 May 2015

REA Group Q3 FY2015 financial information released

REA Group Limited (ASX:REA) today released details of its year to date financial information. On 5 May 2015 (New York time) News Corp reported US GAAP financial information for REA Group and its subsidiaries for the third quarter and nine months ended 31 March 2015.

Group financial highlights for the nine months ending 31 March 2015 include revenue growth of 21% to \$384m and EBITDA growth from core operations of 30% to \$210m. The results were driven by the continued success of our product strategy which saw Australian residential depth revenue increase by 38% this quarter against the prior corresponding period.

A summary table of the key financial information is presented below.

	For nine months ended 31 March (AUD\$) ¹		
Millions	FY2015	FY2014	% change
Revenue	384	318	21%
Operating expenses	(174)	(156)	12%
Segment EBITDA from core operations ²	210	162	30%
Free cash flow ³	97	107	(9%)

REA's strong result has been achieved despite a continued decline in national residential listing volumes across the Australian market, reported to be down 7.2%⁴ in Q3 against the prior corresponding period. Lower listing volumes in the quarter were influenced by the earlier Easter break and elections in two states.

Independent sources demonstrate realestate.com.au's undeniable market leadership position:

- **realestate.com.au has 92.8% of all residential property listings nationwide**, compared to our nearest competitor with 67.3%.⁵
- **realestate.com.au attracted a record unique audience of 4.0 million in March 2015**, 1.5 million more than the nearest competitor.⁶

¹ Q3 results are based on unaudited financial information and prepared under AIFRS.

² Core operations is defined as Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and excludes share of losses from associates

³ Free cash flow is REA Group consolidated cash flows before dividends paid and cashflows from investments in financial assets

⁴ CoreLogic RP Data from January 2015 to March 2015

⁵ Market share of residential property listings from April 2014 to March 2015, CoreLogic RP Data

- **realestate.com.au's audience is more highly engaged** according to Nielsen Online Ratings:
 - Average monthly visits to realestate.com.au are 24.5 million higher per month than that of the number two site (35.3 million vs 10.8 average monthly visits YTD⁷); and
 - realestate.com.au has 5.6 times more time on site which is the key indicator of audience engagement (236,698 vs 42,200 average ('000) minutes per month⁷).

Further, based on FY15 half year reporting by REA Group and its nearest competitor⁸, REA had total average monthly visits across Australian main sites, mobile sites and apps of 44.6 million compared to the number two's 20.3 million total visits during the period.

Commenting on the results, REA Group Chief Executive Officer Tracey Fellows said:

"Our result highlights our leadership position and the continued growth of our business. Our focus remains on what really matters to our customers and consumers – delivering the best digital property experience in the market.

"This quarter we were first to market with the Apple Watch app, launched our utility connections services and made excellent progress with our international investments. Since launching late last year, our Agent Profiles product has had 3.28 million views, providing consumers accurate information on the expertise and experience of agents and providing customers valuable leads and exposure," Ms Fellows continued.

"There is no other property site in Australia that can offer the number of listings or the quality of experience that we do - realestate.com.au delivers an unrivalled audience of property seekers to our vendors and agents."

A full copy of News Corp's Form 10-Q to be filed with the U.S. Securities and Exchange Commission (SEC) will be lodged with the ASX when it becomes available. It is noted that the reported US Dollar figures in the News quarterly release may not agree to the Australian Dollar figures below, as the reported figures are presented in US Dollars and in accordance with US GAAP by which News Corp must comply.

⁶ Nielsen Online Ratings, unique audience for March 2015 realestate.com.au compared to domain.com.au

⁷ Average monthly visits and average monthly time on site (being time on site divided by visits) source: Nielsen Online Market Intelligence Home and Fashion Suite Total Traffic for Audited sites for the nine months ended 31 March 2015 for the main and mobile sites of realestate.com.au compared to domain.com.au. Comparison of app visits with competitors are not available and for that reason are not included in these statistics

⁸ All combined Australian sites Fairfax Media Investor briefing half year results 19 February 2015



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About REA Group

REA Group Limited ACN 068 349 066 (ASX:REA) is a multinational digital advertising business specialising in property. REA Group operates Australia's leading residential and commercial property websites, realestate.com.au and realcommercial.com.au, European sites casa.it, atHome.lu and immoRegion.fr, and Chinese property site myfun.com. REA Group also has a significant shareholding in US based Move, Inc. and ASX listed iProperty Group Ltd (ASX:IPP) which operates a number of property portals in Asia.
www.rea-group.com

