



Half Year Results

1st Half 2014

August 2014

Summary of half year results 2014

The first half year marks a period of significant growth for iProperty, the key highlights are:

- Extension of **Leadership Position** across the ASEAN region
- **Significantly improved financial position** for 1H14
- **Strong revenue growth** across the core business of 44%
 - Malaysia core revenues grew by 66%
 - Indonesia revenues grew by 60% including a significant growth in market share
 - Hong Kong and Macau revenues grew by 47%
- An **improvement in EBITDA of \$3.2m** as a result of
 - Strong control of operating expenses which only increased marginally by 1% to \$11m
 - Continued improvement in the Malaysia EBITDA margin to almost 55%
 - The Hong Kong operations reaching **profitability**
- **Refreshed websites** for Malaysia, Indonesia and Singapore
- Build up of Service offering for eCommerce (Transactions) via the **Buyers Club** to attract **larger scale projects**

Company overview



iProperty Group Limited is the **leader** in **online advertising** and **other real estate services** for real estate agents, developers and consumers in key Asian markets of Malaysia, Indonesia, Hong Kong and Singapore.

 **iProperty.com**
Malaysia's No.1 Property Website

 **GoHome.com.hk**
Hong Kong's No.1 Property Website

 **rumah123.com**
Situs Properti No.1 di Indonesia

 **iProperty.com**
Singapore's No.1 Property Website

 **iPropertyBuyers**
There's Power In Numbers! **Club**

SMART Investment & International Property Expo™
LOCAL & OVERSEAS PROPERTY • STOCKS • FUNDS • ALTERNATIVE INVESTMENT



 **iProperty.com**
EXPO

Group Vision

 **iProperty Group**
Asia's No.1 Online Property Group

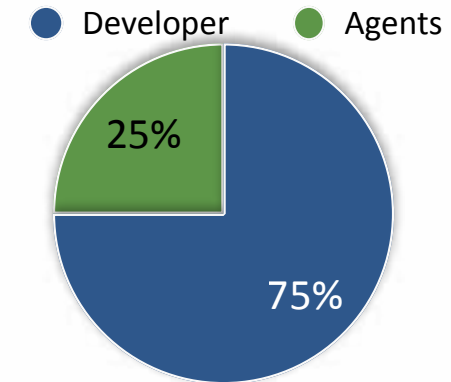
Think Property, Think iProperty
the largest real estate service
provider in the Region

 **iProperty Group**
Asia's No.1 Online Property Group

Company overview

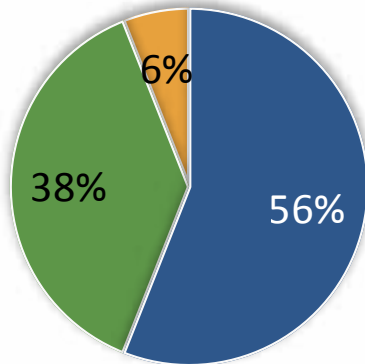
iProperty Group operates across the key markets of South East Asia and Hong Kong / Macau with **3x higher Developer advertising budgets** (new properties) over Agent advertising budgets (secondary market) ...

Advertising Budget



iProperty's Advertising Revenues

● Developer ● Agents ● Other



... as a result, more than half of iProperty Group's **revenues** are generated by servicing **Developer clients** ...

... and is well positioned to capture significant upside potential from the expected offline to online transition of advertising dollars. iProperty as market leader holds currently up to **8% market share** of the advertising spend of these **emerging markets**.

iProperty's Market Share

up to 8%

of the Total Advertising Spend



iProperty reached EBITDA profitability in 1H14

AUD	FY2013	FY2012	%
Total Revenues	11,005,571	7,655,225	44%
Employment (Expenses)	(6,720,029)	(6,607,792)	2%
Other operating (Expenses)	(4,225,458)	(4,273,087)	(0%)
Total (Expenses)	(10,975,487)	(10,880,879)	1%
EBITDA	30,084	(3,225,654)	

Significant improvement of EBITDA by \$3.2m compared to the same period last year on back of **strong revenue growth**

Reconciliation to statutory result:

EBITDA	30,084	(3,225,654)
Depreciation, amortisation and impairment (Expenses)	(9,123,519)	(196,908)
Net interest Income	193,285	144,129
Income tax (Expenses)	(72,001)	(55,780)
(Loss) for the period	(8,972,151)	(3,334,213)

Impairment of the Singapore and Indonesian operations of \$8.8m provides the Group with full flexibility for future investments

Country Profile - Malaysia

Strategic Position: Clear market **leadership across all segments** of our business

Focus / Results: Extension of the leadership position in property **advertising**
Build up of capabilities for **transaction** business via Buyers Club
and signup of larger pilot projects (latest one with 224 units)

Strong growth in revenues of 66%

Profitable operations at almost 55% EBITDA margin

Developer Revenue up 76% on same period last year

Another net 47 new developers were added during 1H14

Agent Revenue up 46% on same period last year

Listings are up 11% during 1H14

Leads are up 20% during 1H14

Contacts (Consumer Database) up 7% during 1H14

Country Profile - Indonesia

Strategic Position: Market **leadership**

Focus / Results: Market share growth - Investment phase for business (long term view)

Strong growth in revenues of 60%

Strengthening the **agency** business (growing at 23% with depth revenues almost tripling) - net paying agents increased by 1,684 (or 22%) during 1H14

Expanding the **developer** business (growing at 73%) and positioning rumah123.com as the clear **market and thought leader in the country**

Strengthening the **#1 brand** rumah123.com brand in the market via online and offline marketing activities

Country Profile - Hong Kong and Macau

Strategic Position: **Market leadership**

Financials: **Strong growth** in revenues of 47%

(First time) **profitable** operations at 6% EBITDA margin for 1H14

Focus: Extension of the **leadership** position in property **advertising** especially across large agency groups and developers

Capitalising on the **price increase** (end of June) for agency products

Being ready for the expected **recovery** of the property market



Country Profile - Singapore

Strategic Position: Strong competitor - leadership for **international properties**

Focus/Results: **Repositioning** leads to a decline in revenues across the agency business and growth in the developer business

Repositioning of the operations as the gateway for international developers to iProperty Group's region of operation

First pilots for Transaction business for international developments under the **iBonus** brand



iProperty's Asset Base

Asset Base as at 30 June 2014

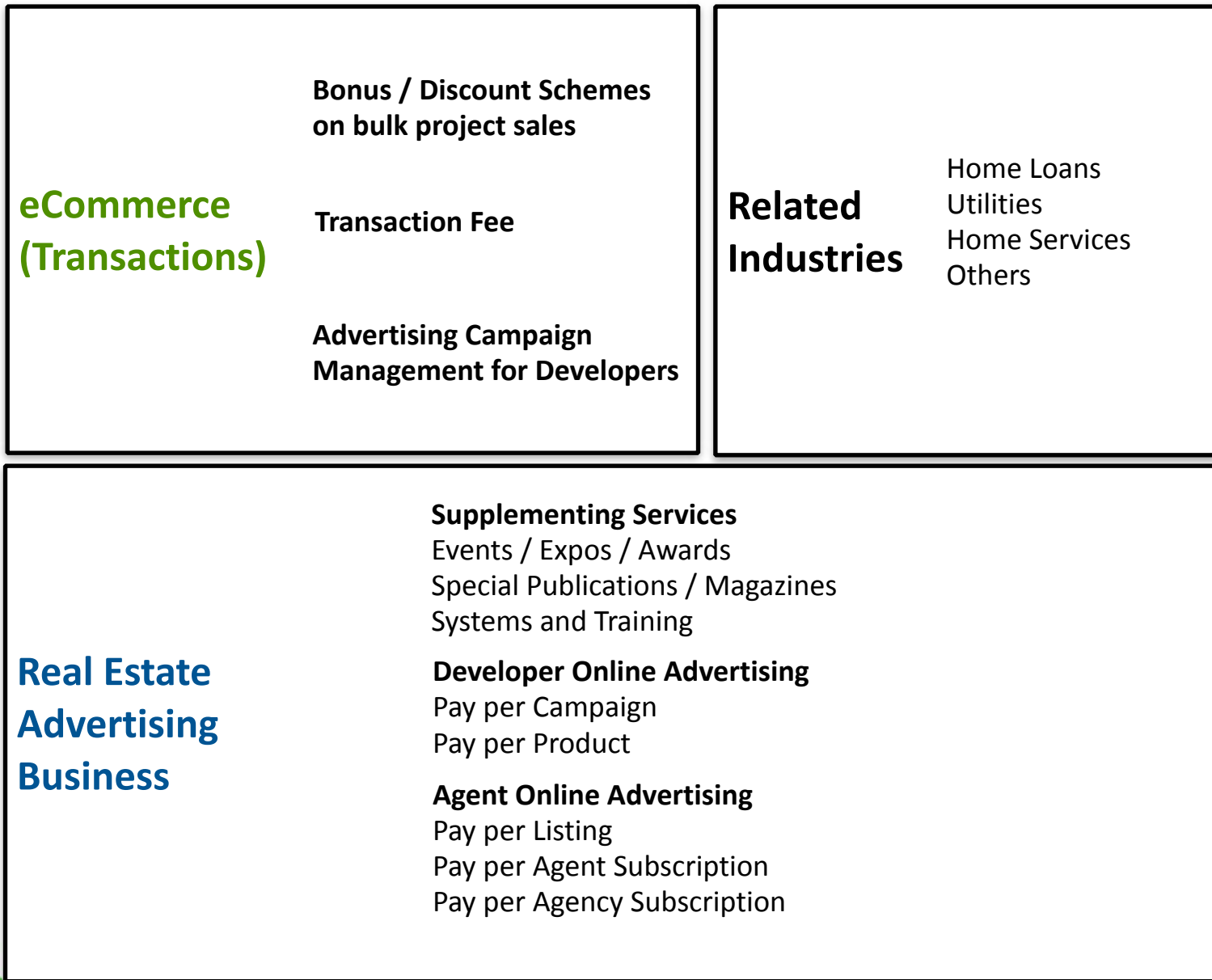
<i>Brand(s)</i>	Leading property portals and related products
<i>People</i>	300 people across 4 main locations
<i>Knowledge</i>	Many years of market and industry knowledge
<i>Customer Relationships</i>	26,943 Paying Local Agents more than 5,000 Overseas Agents and 360 Developers
<i>Consumer Database</i>	More than 1m registered members in database
<i>Technology Systems and IP</i>	Strong IT platform of internal and external systems Key initiatives include: iProperty Buyers Club platform, iRealtor ('shopify'), Mobile, Refresh of websites

iProperty's Growth Strategy (I)

Going forward the group focuses on 3 key areas

- 1) **Maintaining and extending a strong asset base** for sustainable current and future revenues
- 2) **Growing income** across the existing business units
- 3) Pursuing new **growth options**

iProperty's Growth Strategy (II)



A dominant portal is the pre-requisite for entering into the transaction space



Growing content and brand awareness increases SEO and reduces the consumer marketing costs

Appendix - Market Data





Asian Real Estate Marketing Spend

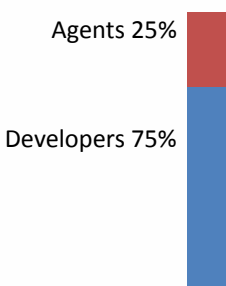
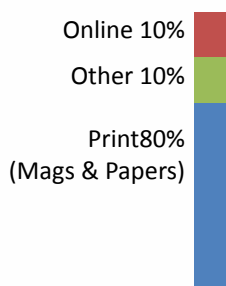
Estimated Asian Real Estate Marketing Spend – All Media			
USD (million)	2014	2015	2016
Malaysia			
Agent	70	72	74
Developers	197	199	205
<i>Total</i>	267	271	279
Singapore			
Agent	50	52	53
Developers	152	155	156
<i>Total</i>	202	207	209
Hong Kong			
Agent	67	67	69
Developers	275	280	280
<i>Total</i>	342	347	349
Indonesia			
Agent	32	32	34
Developers	85	85	87
<i>Total</i>	117	117	121
Total			
Agent	219	223	230
Developers	709	719	728
<i>Total</i>	928	942	958

Source: Nielsen Research, Zenith Optimedia, Frost & Sullivan

Malaysia Market Summary

Country Overview	
Population (2013)	30.0m
GDP per Capita	US\$17,775
Stability Index	Moderate
Internet Penetration (2013)	67%
Internet Population	20m
Total Advertising Spend	US\$4.1bn (2013)
% Total Ad Spend Online	2-4% (2012)
% Total Ad Spend in Print	34% (2013)

Real Estate Market		
Agents	11,100 ^(e)	
Agencies/offices	1,392 ^(e)	Agent Sales Private Sales
Developers	1,003	
Developments	6,000	
Commission Rate	2 - 3%	Established Sales New Sales
<u>Comments</u>		
<ul style="list-style-type: none"> Property not represented exclusively Low barriers to entry for sales people but moving towards clearer regulation Emerging industry & growing use of technology 		

Real Estate Advertising Market	
Total Spend (2014)	US\$267m ^(e)
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><u>By Advertiser</u></p>  <p>Agents 25%</p> <p>Developers 75%</p> </div> <div style="text-align: center;"> <p><u>By Media</u></p>  <p>Online 10%</p> <p>Other 10%</p> <p>Print 80% (Mags & Papers)</p> </div> </div>	

Our Position
<u>Comments</u>
<ul style="list-style-type: none"> iProperty.com.my dominant market leader in Malaysia Highly profitable and growing Strong focus to Depth products for agents Majority of revenues now developer segment and growing Extension of solution portfolio by expos, awards and annual high quality publications

Source: Interviews with iProperty, fullhouse; CIA World Fact Book; Internet World Stats; Jane's Information Group; Malaysian Government Data; Zenith Optimedia, internet world stats.

Hong Kong Market Summary

Country Overview	
Population (2013)	7.2m
GDP per Capita	US\$52,300
Stability Index	Moderate
Internet Penetration (2012)	75%
Internet Population	5.3m
Total Advertising Spend	US\$5.6bn (2013)
% Total Ad Spend Online	7.0% (2012)
% Total Ad Spend in Print	45.0% (2012)



Real Estate Market		
Agents	30,000 ^(e)	
Agencies/offices	2,300 ^(e)	
Developers	20 significant	
Developments (2012)	30	
Commission Rate	1% to 4% for new property	
<u>Comments</u>		
<ul style="list-style-type: none"> •Agency business dominated by big 4 (Midland + HK Property, Centaline + Ricacorp) •Market depressed for last 2 years at 50% of previous volume •Price often held up on low volume and often driven by mainland buyers •Very competitive amongst agents with developers focused on the high end luxury 		

Real Estate Advertising Market	
Total Spend (2014)	US\$342m ^(e)
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><u>By Advertiser</u></p> </div> <div style="text-align: center;"> <p><u>By Media</u></p> </div> </div>	

Our Position
<u>Comments</u>
<ul style="list-style-type: none"> •Gohome.com.hk clear leader in Hong Kong •Subscription products making way for growing emphasis on depth products for agents •Top 4 Agency groups starting to use portals •Developers also moving online and have started advertising on ghome.com.hk •Increasing reach into mainland China developers targeting Hong Kong consumers

Singapore market summary - updated

Country Overview	
Population (2014)	5.46m
GDP per Capita	SGD69,050
Stability Index	Moderate
Internet Penetration (2014)	73%
Internet Population	4.0m
Mobile Penetration	148%
Mobile subscription	8m
Total Advertising Spend	US\$1.23bn
% Total Ad Spend Online	10%
% Total Ad Spend in Print	41%


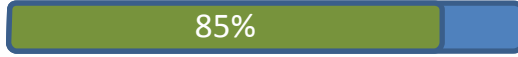
Real Estate Market		
Agents	32,982 ^(e)	
Agencies/offices	1,495	
Developers	100 ^(e)	Agent Sales Private Sales
New Developments	347 ^(e)	
Commission Rate	3% Average	
		Established Sales New Sales
<u>Comments</u>		
<ul style="list-style-type: none"> • No sole agency for the sale of property • 80% of population live in Government housing (HDB) • Each agent is a small business and leverages an agency's brand 		

Real Estate Advertising Market	
Total Spend (2014)	US\$202m ^(e)
<u>By Advertiser</u>	<u>By Media</u>
Agents 24%	Online 7%
Developers 76%	Other 7%
	Print 86% (Mags & Papers)

Our Position	
<u>Comments</u>	
<ul style="list-style-type: none"> • Iproperty.com.sg stabilised Agent customer base and leader in property expos • Print advertising continues to dominate • Focus on listings volume to drive consumer engagement and depth revenue • Developers slow to move to online • Strong growth in international developers using Singapore as gateway into the Region 	

Indonesia Market Summary

Country Overview	
Population (2013)	251m
GDP per Capita	US\$5,100
Stability Index	Moderate
Internet Penetration (2013)	30%
Internet Population	74.6m
Total Advertising Spend	US\$8.16bn (2012)
% Total Ad Spend Online	2-4% (2012)
% Total Ad Spend in Print	41.8%

Real Estate Market		
Agents	15,000 +(e)	
Agencies/offices	10 main groups	
Developers	2,200 (e)	Agent Sales Private Sales
Developments	5,000+	
Commission Rate	1%-2%	
		Established Sales New Sales
<u>Comments</u>		
<ul style="list-style-type: none"> • No sole agency for the sale of property • Emerging middle class of 40 m ++ • Dominated by foreign franchise groups, loose control of their agents 		

Real Estate Advertising Market	
Total Spend (2014)	US\$117m (e)
<u>By Advertiser</u>	<u>By Media</u>
Agents 27%	Online <2%
Developers 73%	Other 8%
	Print 90% (Mags & Papers)

Our Position
<u>Comments</u>
<ul style="list-style-type: none"> • Rumah123.com now the market leader in Indonesia • Subscription model for agents primary focus , growing emphasis on depth products • Agents now online and 'learn by doing' • Online advertising now regarded as meaningful part of marketing mix • Developers starting to take up online advertising packages • Rumah123.com positioned as market thought leader via high quality publication and expos

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