

ASX/MEDIA RELEASE

REA Group to increase stake in iProperty

iProperty consolidates dominant position in the Hong Kong market
by acquiring squarefoot.com.hk

Tuesday, October 14th – iProperty Group Limited (ASX:IPP) today announced that REA Group Limited (ASX:REA) will increase its stake in iProperty from 17.2% to 19.4% via the issue of 5m new shares in iProperty at \$3.00 per share. The shares are to be issued as consideration for the acquisition by iProperty of REA's Hong Kong business, squarefoot.com.hk. The acquisition remains subject to iProperty shareholder approval and completion is expected to occur by the end of calendar year 2014.

iProperty already owns and operates Hong Kong's #1 property portal, Gohome.com.hk, which recently turned profitable.

Said Georg Chmiel, CEO of iProperty Group, "squarefoot.com.hk is the #2 property portal for the Hong Kong market. As a result of this acquisition, iProperty now owns both the #1 and #2 portals, providing us with a dominant position in a highly strategic market."

He continued, "The combined operations will be a dominant leader in both the property portal and property exhibitions space in the Hong Kong and Macau Region. We will have well over 1,000 unique real estate agencies paying to subscribe to our combined service and will deliver listings and property developer advertising to over 1.1m unique visitors in Hong Kong every month."

Subsequent to an integration period, the combined continuing Hong Kong operations are expected to be profitable.

Said Chmiel, "iProperty now dominates two key markets in Asia – Malaysia and the Hong Kong / Macau Region. It is also the clear #1 player in Indonesia. As the region's property portal leader we are excited about the prospect of working closer with REA going forward."

Commenting on the transaction, REA Group CEO, Tracey Fellows said, "This transaction is a great outcome for both REA Group and iProperty, and further strengthens our relationship and commitment to each other. It will bring together two leading real estate portals in Hong Kong, enabling iProperty Group to strengthen its market position and reach a broader audience."

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About iProperty Group (ASX:IPP): iProperty Group is a leading digital advertising business in South-East Asia with market-leading online property advertising portals across Malaysia, Hong Kong, Macau and Singapore as well as investments in India and the Philippines. It is also the biggest expo service provider across Asia.

About REA Group (ASX:REA): REA Group Limited is a market-leading digital advertising business specialising in property. REA Group's operations and investments include Australia's home of property, realestate.com.au, as well as digital real estate sites in Europe and Asia.