

ASX/MEDIA RELEASE

iProperty Group records continued strong operating growth. Expects record cash collections in Q1 of 2015

Monday, 26th January 2015 – iProperty Group Ltd (ASX: IPP), the owner of Asia's No. 1 network of property portal sites and related real estate services, today released its 4C statement for the quarter ended 31 December 2014, showing continued strong organic growth of the business. The Group also achieved a significant increase in quarterly billings.

The Group finished Q4 of 2014 with its **highest ever quarterly billings of almost A\$8m, up 57%** over Q3 of 2014 and up 29% over the prior corresponding period. This is expected to result in record cash collections in Q1 of 2015.

Collections for Q4 of 2014 were A\$5.2m based on a slower Q3 of 2014, as previously reported. **Payments** to suppliers and employees in the same period were, however, flat when compared to the prior corresponding period, resulting in a neutral result for operating cash flow. **Investing** cash flow of A\$0.5m included investments into the new combined Hong Kong office and further IT infrastructure.

Georg Chmiel, CEO and Managing Director of iProperty Group commented on the results, "The significant increase in billings for the last quarter is a clear indication of the increasing organic growth of the business on the back of necessary strategic and structural changes during my first eight months in the job. As a result of this strong business performance in Q4 of 2014, we expect Q1 of 2015 to have the highest cash collections in the Group's history."

Key Operating Metrics

Group

As previously announced, the Group is also expecting the **highest ever quarterly Revenues and EBITDA** for Q4 of 2014. Revenues are expected to be up approximately 40% on the previous quarter and up approximately 25% over the same quarter last year leading to a quarterly EBITDA of approximately \$700k for Q4 of 2014.

Other **key operating metrics** also showed **strong growth** as iProperty Group's market-leading positions expanded even further. Unique Visitors to iProperty Group sites exceeded 3.5m per month in Q4 of 2014, while Total Listings and Registered Users exceeded 1.5m and 1.1m during the month of December.

Chmiel continued, "iProperty Group has successfully grown its business to profitability while maintaining the same cost base on the back of strong increases in the productivity of our operations. We have **successfully implemented price increases** across Malaysia, Hong Kong Region and Indonesia, with minimal disruption, which is a testament to the tremendous value our services add to all our customers. A well maintained cost base and a strong pipeline of revenues and pending collections area great way to start the new year. Our Malaysia and Hong Kong Region operations are generating strong profits and we continue to invest in our ongoing growth in Indonesia. We are prepared to invest strongly if necessary and plan to expand innovation across the Group. We are also continuing to look for further investment opportunities beyond our current footprint."

Malaysia

Malaysia continues to go from strength to strength. EBITDA is expected to have **grown by approximately 50%** year on year to approximately A\$7.7m. Malaysia further exhibited **EBITDA margins of approximately 55%** for the year 2014 compared to 44% for the year 2013, demonstrating strong cost management and increased productivity.

The key growth drivers in Malaysia were the developer and agent segments. For Q4 of 2014, the Group saw **60% growth** in developer and media revenues compared to the prior corresponding period, with an increase in total customers of over 18%. The agent business grew tremendously, with Average Revenue Per Agent (ARPA) growing by 41 % for the year to RM213. This was the result of **successfully implemented price increases** and further take up of depth products.

Malaysia's billings in Q4 of 2014 showed an 83% increase on the prior quarter off the back of strong growth in the core business, indicating a strong start for 2015.

Chmiel continued, "Our Malaysian business has never been better. We have seriously extended the gap to our competitors across all financial and non financial metrics including traffic, number of customers, yield per customer, revenue and profitability."

Hong Kong Region

In 2014, the **Hong Kong Region** became the second profitable operation for the iProperty Group. This was driven by growth in agent subscription and depth revenues, and occurred despite difficult market conditions owing to a depressed real estate market and protests in Hong Kong. Nonetheless, as a testament to the strength of the Group's operations in the Hong Kong Region and the value the Group's services offered to its customers, the business was able to **successfully implement price increases** during 2014.

The agent business grew tremendously, with Average Revenue Per Agent (ARPA) growing by 32% for the year to HK\$1,443, while paying agency office numbers also grew by 17% to over 1,000 offices who pay for subscriptions and depth products every month. In total, the **Hong Kong Region** showed 38% growth over the prior corresponding period.

Chmiel added, "I am very excited about 2015 and expect we will further deepen our dominant foothold in the Hong Kong market by making best use of the existing and newly acquired assets. The timing could not be better with the real estate market expected to recover during 2015 and our position with both agents and developers going from strength to strength."

Indonesia

Indonesia has finished the year with over 10,000 real estate agents, all of whom pay monthly for a subscription to iProperty Group's Rumah123.com website and services, representing an **increase of over 30%** from the beginning of the year. Property listings were also **up 40%** year since the beginning of 2014 and Rumah123.com's leadership position has greatly increased over the competition. This leadership position is further evidenced by the Group's **successful implementation of a depth price increase** of over 50% during 2014. Indonesia's billings continued to grow strongly through the year, with Q4 of 2014 increasing 35% on Q3 alone. .

Rumah123.com has also strengthened its ties with a growing number of developer customers, and now counts over 150 Indonesia property developers as regular customers.

Chmiel continued, "We have a strong pipeline of innovative solutions for the Indonesian market which will help further extend our ever-growing leadership position in this strategically important market. Leadership ultimately comes back to financial results, a reflection of the value provided to the customer base. Our ability to grow our paying agent and developer customer numbers, all while implementing significant price rises demonstrates the quality and strength of our business and its operating metrics. We look forward to continuing our tremendous momentum through 2015."

Singapore, International and eCommerce (Transactions)

In August, the Group began a transformation project spearheaded by the **iProperty Singapore** business, whereby the iProperty brand would be engaged by international developers to advertise and sell their property listings to iProperty Group's Asian user base. The combined pilots of **iBonus** and **Buyers Club** have already resulted in the sale of more than 100 properties, giving licensed real estate agents in Malaysia and Singapore access to a growing number of listings. The Group will continue to work to develop its eCommerce and international offerings in tandem through 2015.

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About iProperty Group Limited (iproperty-group.com)

Listed on the Australian Securities Exchange, the iProperty Group (ASX:IPP) owns and operates Asia's No.1 network of property websites under the iProperty.com umbrella brand.

Headquartered in Kuala Lumpur, Malaysia, the Group is focused on developing and operating leading property portals with other complementary offerings in Asian markets. It currently operates market leading property portals in and property exhibitions across Malaysia, Hong Kong, Macau, Indonesia and Singapore. iProperty Group is continuously working to capitalise on its market-leading positions and the rapidly growing online property advertising market throughout the region.

iProperty Group Network of websites:

- Malaysia: iProperty.com.my
- Indonesia: rumah123.com and rumahdanproperti.com
- Hong Kong: GoHome.com.hk and Squarefoot.com.hk
- Macau: yProperty.com
- Singapore: iProperty.com.sg
- Commercial: CommercialAsia.com
- India: in.iProperty.com
- Philippines: iProperty.com.ph
- Events: expo.iproperty.com
- Luxury: iLuxuryasia.com