ASX/MEDIA RELEASE

iProperty Group records an initial EBITDA profit for its Advertising business on the basis of strong revenue growth across its key markets

Thursday, 19th February 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 full year accounts.

iProperty Group ('the Group') showed **strong growth in the key markets** of Hong Kong (38% revenue growth), Malaysia (25% revenue growth) and Indonesia (20% revenue growth in local currency).

The Group also finished Q4 of 2014 with its highest ever quarterly billings of A$ 7.9m (Q4 of 2013: A$ 6.1m) which provides outstanding momentum into 2015.

Operating expenditure only grew by 1% despite increased investment in marketing and personnel.

Consequently the Group shows for the **first time an EBITDA profit for its Advertising business** of A$61k (2013: Loss of A$2,943k). This result was achieved in spite of the protests in Hong Kong and the extension of the amortisation of agent depth products in Malaysia which had a combined adverse impact of A$292k. The Transaction business saw a marginal loss of A$431k.

The overall EBITDA loss of 370k (see Note 4 of the accounts) is better than originally expected as per the December 2014 guidance.

Net profit for the year was impacted by impairment losses (as reported during the first half year) of A$8.8m and the amortisation of the employee options at A$0.9m.

$'000s	2014	2013	%
Revenue	21,836	19,046	15
Other operating expense	(22,206)	(21,988)	1
EBITDA (per Note 4 of the accounts)	(370)	(2,943)	
Thereof EBITDA from **Advertising**	61	(2,943)	
Thereof EBITDA from **Transactions**	(431)	-	
Net profit/(loss) for the year	(10,731)	1,706	

Malaysia
- Revenue increased by 25% to $14.7m from $11.8m in the prior year.
- The EBITDA for the Malaysia business improved by 48% from $5.2m to $7.8m for 2014, while the EBITDA margin increased to 53%.
- The developer business finished the year strongly, with revenues growing by 60% for Q4 2014 over the prior corresponding period.
- The agent business finished with an ARPA (Average Revenue per Agent) of MYR 213 per agent per month, up 41% over same period last year. Customers (Agents and Developers) and registered users were both up 18% year on year.

Hong Kong

- The business in Hong Kong now consists of property portals, Gohome.com.hk and vproperty.com (Macau) and Squarefoot.com.hk which was acquired in late 2014, as well as the property expo operator, Smart Expo which was acquired during 2013.
- During 2014 the Hong Kong business grew by 38% due to organic growth, the biggest organic growth ever recorded and has reached profitability. The incremental EBITDA margin for the growth was 57%.
- From 22 December 2014 onwards, the newly-acquired and currently loss making Squarefoot.com.hk business will be part of the P&L.

Indonesia

- Revenue (in local currency) increased by approximately 20% although the business was primarily focused on improving consumer and customer metrics to cement its position as the leading property portal in Indonesia.
- Property listings increased by 40% to almost 340,000 at year end.
- Paying agents increased by over 30% to 10,009 <u>paying</u> agents at the end of 2014.
- Developer clients also increased during the year as we were successful in providing many of these customers with an on-line presence for the first time.

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, providing licensed real estate agents in Malaysia and Singapore with access to a growing number of listings. The Group will continue to work to develop its eCommerce and international offerings in tandem through 2015.

Guidance for 2015

iProperty Group expects **Revenues** for 2015 to be within a range of $30m-$36m for 2015. iProperty Group also currently expects to deliver an **EBITDA** profit for 2015 of $2m-$5m.

These **estimates** are based on the current performance of the business for January 2015, the current billings for the subsequent months and is subject to the successful delivery of all key projects planned, current FX rates and a successful completion of the Thailand acquisition by April 2015. A further update will be given in August 2015 with the half yearly numbers.

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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: vProperty.com
- Singapore: iProperty.com.sg
- Commercial: CommercialAsia.com
- India: in.iProperty.com
- Philippines: iProperty.com.ph
- Events: expo.iproperty.com
- Luxury: iLuxuryasia.com