

Trade Me Investor Briefing

Macquarie Australia
Conference



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Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks.

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This presentation does not constitute investment advice.

Presentation Agenda

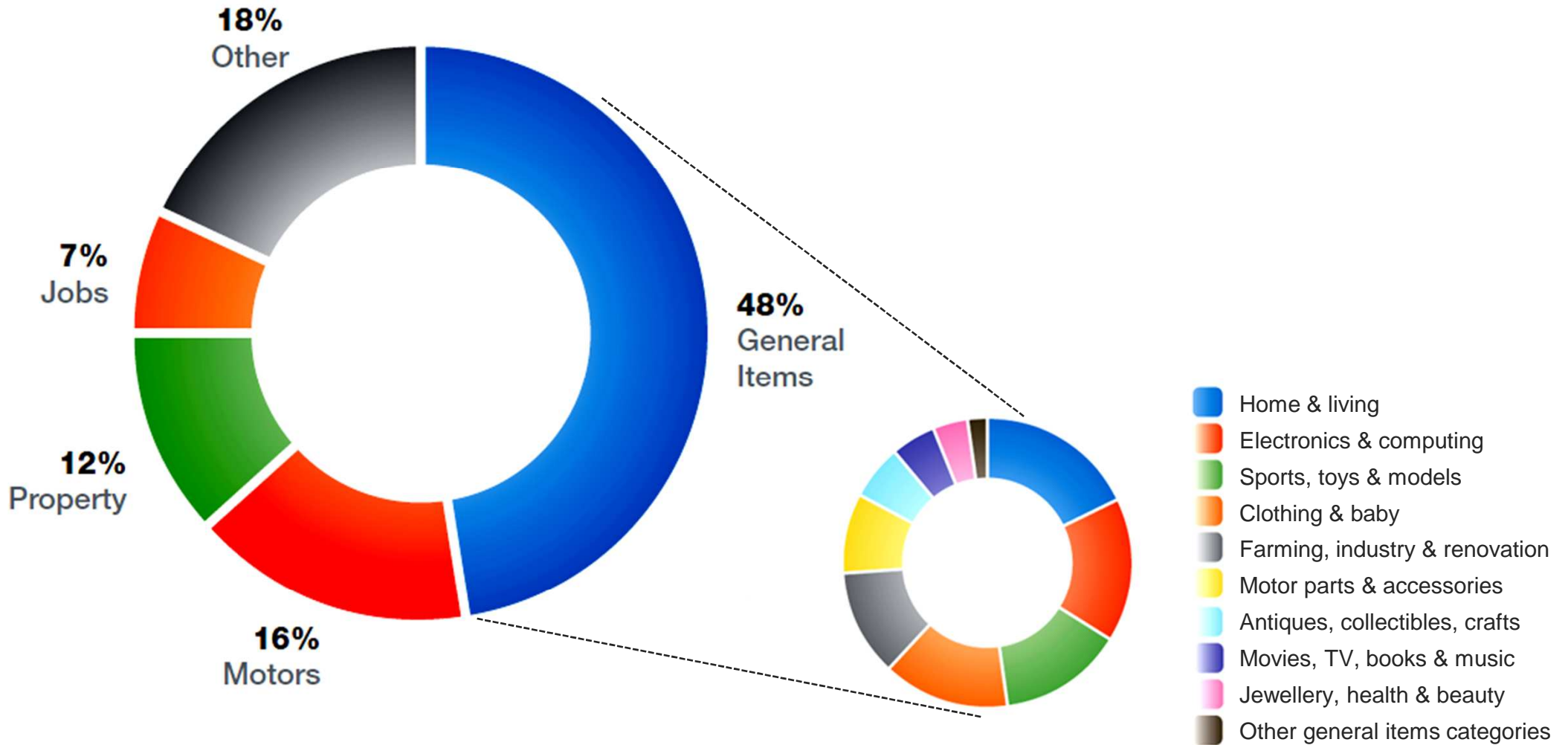
- Business overview
- Post-IPO update
- Growth strategies
- Questions
- Appendices:
 - FY12 H1 financials
 - Further background information

Business overview

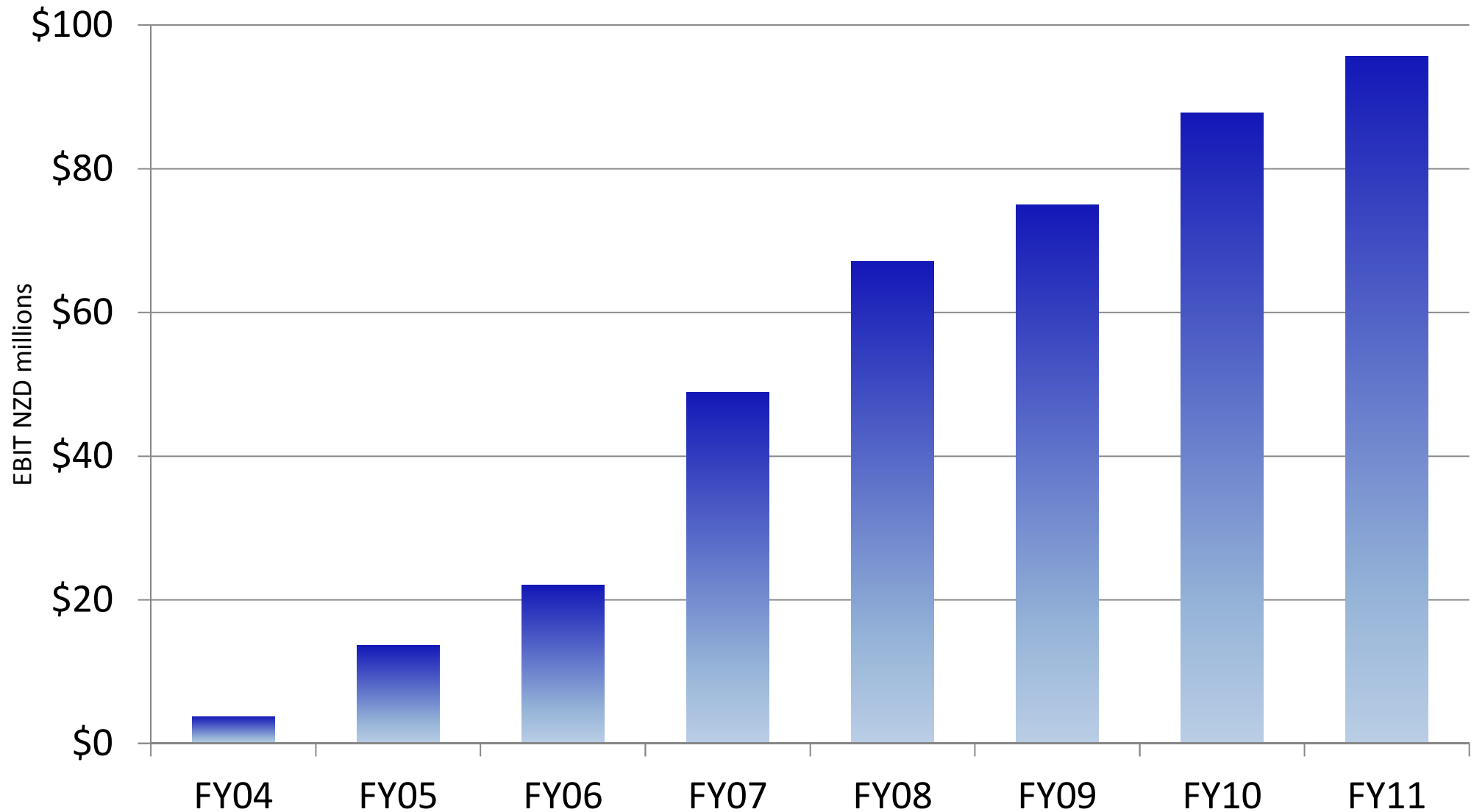
- Trade Me operates online auctions, online classifieds and display advertising businesses
- Trade Me has market leading positions across a broad range of categories:
 - 650,000+ visitors per day
 - 2 million+ listings
 - Strong positions in general items (#1), motors (#1), property (#1) and jobs (#2)
 - Niche sites in travel, group buying and online dating
- Trade Me connects people, allowing them to undertake a transaction or form a relationship.

The screenshot displays the Trade Me website interface. At the top, there are banners for 'Treat Me' (Wellington), 'Travelbug' (Need help? Call Travelbug support - 0800 885 284 (NZ only)), and 'findsomeone' (helping you find someone special). The main navigation bar includes 'Home', 'Browse', 'Sell', 'My Trade Me', 'Community', 'Help', 'Motors', 'Property', and 'Jobs'. A search bar is located below the navigation, with a dropdown menu set to 'All items' and a 'Search' button. Below the search bar, there are tabs for 'Buying: Watchlist | Won | Lost | My favourites' and 'Selling: Items I'm selling | Sold | Unsold'. The main content area is divided into three columns of category links: Antiques & collectables, Art, Baby gear, Books, Building & renovation, Business, farming & industry, Cars, bikes & boats, Clothing, Computers, Crafts, Electronics & photography, Flatmates wanted, Gaming, Health & beauty, Home & living, Jewellery & watches, Jobs, Mobile phones, Movies & TV, Music & instruments, Pets & animals, Pottery & glass, Real estate, Services, Sports, Toys & models, and Travel, events & activities. On the right side, there are promotional banners for 'Cool Auctions' (Be in WOW Wellington) and 'Train for years.' (Valerie Adams Olympian Team Visa). At the bottom, there are three featured listings: 'Cars, bikes & boats' (Toyota Camry 2005), 'Real estate' (2 bedroom house in Franklin), and 'Jobs' (Check out the latest in manufacturing).

Overview: Revenue contribution



Overview: Historical earnings



Overview: Vital stats

- Listed on the NZX and ASX 13 December 2011
- Share price: \$3.50 (up 30% from IPO)
- Market capitalisation: NZD \$1.4 billion
- Strategic shareholders: Fairfax Media (ASX:FXJ) owns 66%
- Indices: NZX50, S&P/ASX All Ordinaries
- Forecast FY12 NPAT: \$68.7 million
- Debt: \$166m drawn down on \$200m facility (matures FY15)
- Dividend policy: 80% of NPAT



Post-IPO operational update

Post-IPO update: Overview

- Half year results on target
- New Goods: ChannelAdvisor partnership agreed
- Autobase acquisition – announced 30th April 2012
- Smartphone optimised site launched, and mobile
- Yield increases for direct motors advertisements - from \$39 for private listings to scale based on vehicle value:

Listing fees		
\$39 for asking prices under \$1,000	\$49 for asking prices of \$1,000 - \$10,000	\$59 for asking prices over \$10,000

- AdExchange rolled out in Display Advertising
- Pay Now pricing change for top-sellers from May 2012

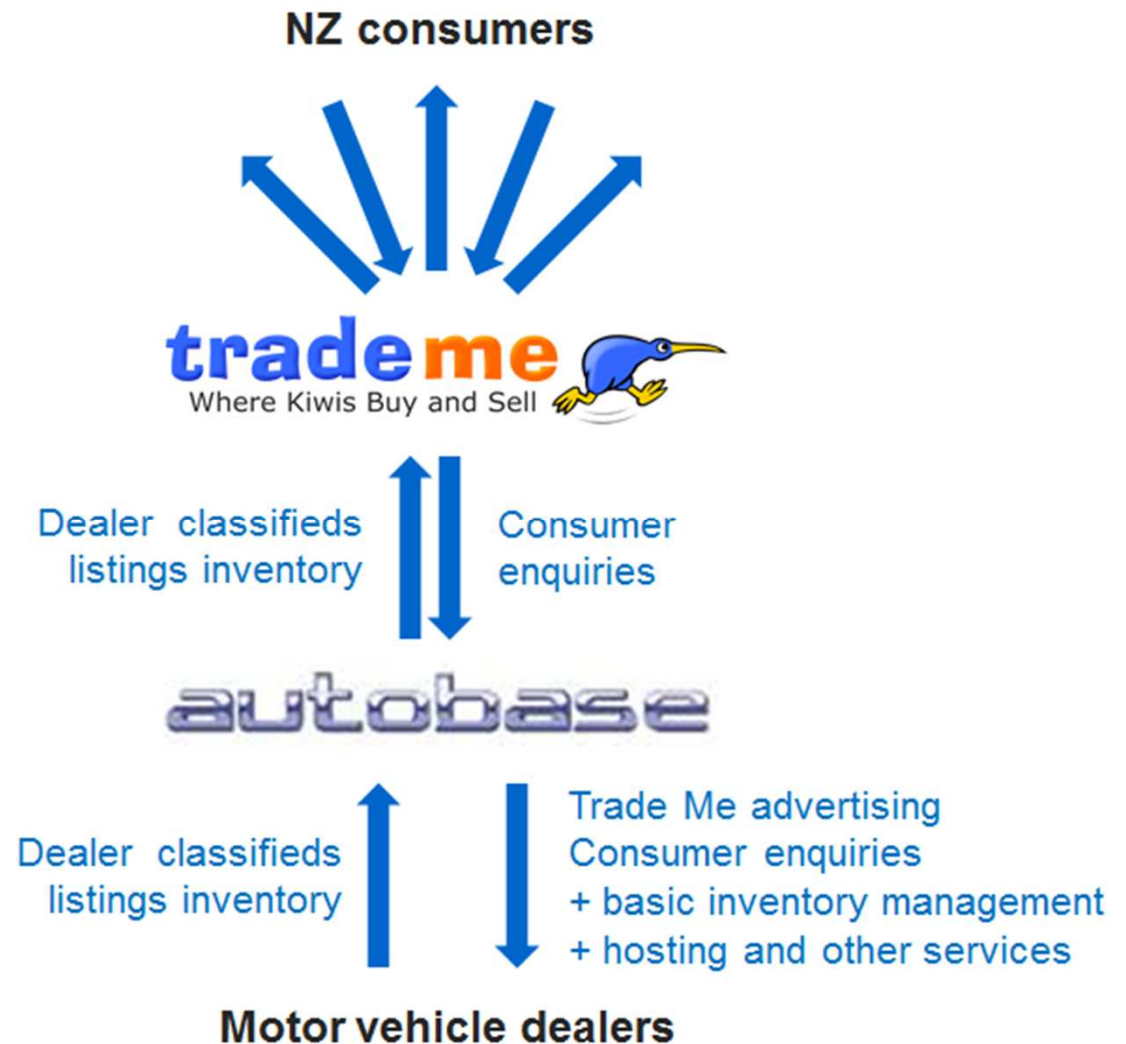
Post-IPO update: Half year results

- Achieved FY12 H1 targets set out in IPO prospectus.
- On track to achieve remainder of our prospectus forecasts. No change in intention to pay dividend at 80% of profits at full year.

NZ \$000s	H1 FY12	Var to Forecast		Var to Prior Year	
		\$	%	\$	%
Revenue	69,980	397	0.6%	8,136	13.2%
Expenses	(18,271)	634	3.4%	(3,743)	(25.8%)
EBITDA	52,000	1,027	2.0%	4,333	9.1%
<i>EBITDA margin %</i>	74.3%		1.1%		(2.8%)
EBIT	49,720	1,117	2.3%	3,529	7.6%
<i>EBIT margin %</i>	71.0%		1.2%		(3.6%)

Post-IPO update: Autobase acquisition

- Completed 30 April 2012
- Prior to acquisition, Trade Me already owned 25.4%
- Effective purchase price: \$11.5m
- AutoBase quick facts:
 - FY12* EBIT: \$3.2m (up 19% YoY)
 - Dealers: 935
 - Live listings: 39,225
- Good strategic value: de-risks Trade Me's motors business, and allows better integrated sales and product development



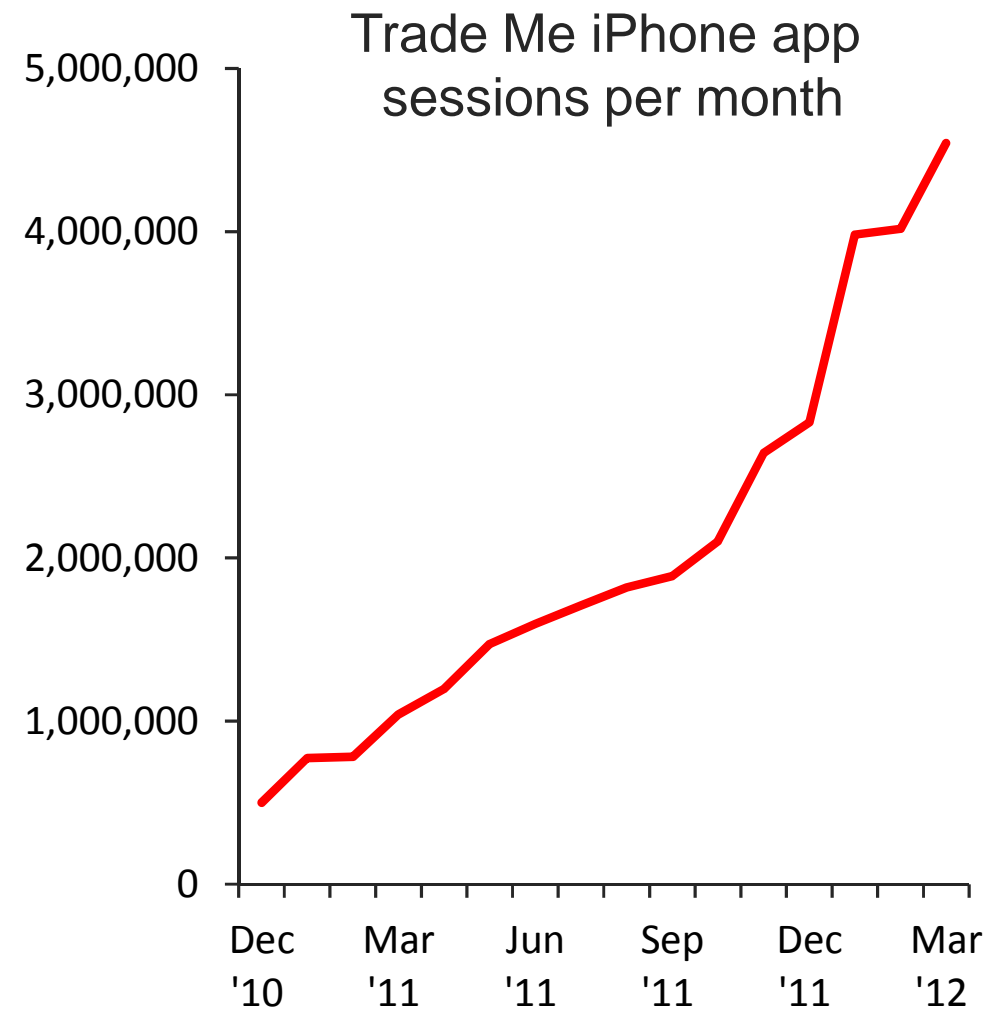
* Based on 31 March year end

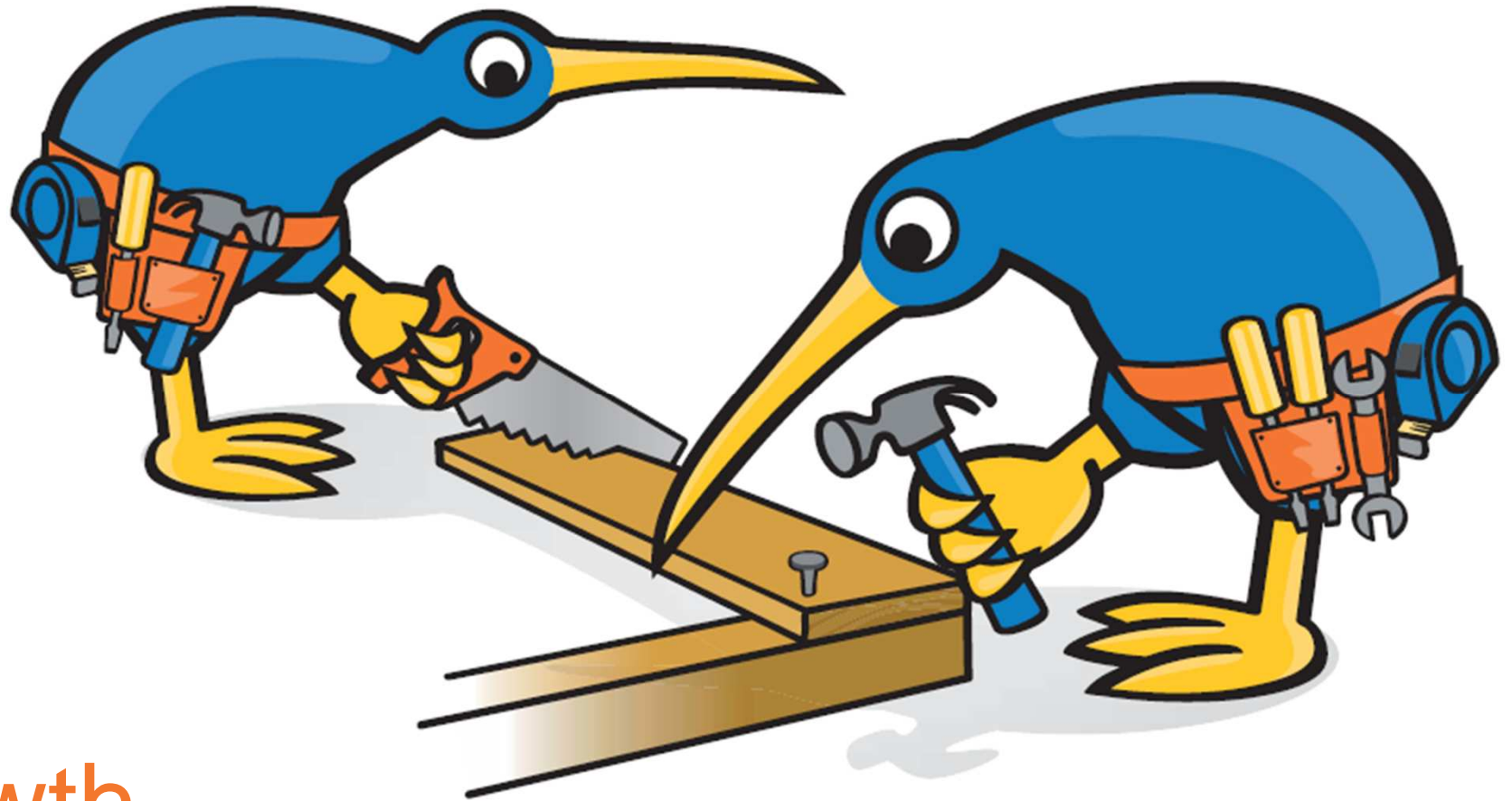
Post-IPO update: New goods

- A little over 40% of all sales on Trade Me are for new items.
- First focus is on building supply, with three sets of participants:
 - Small local retailers and entrepreneurs
 - Larger New Zealand retailers
 - Offshore sellers
- Aggregator partners can help us attract suppliers by reducing their work.
- Partnership with ChannelAdvisor announced 13th April 2012.
 - ChannelAdvisor have commercial relationships and technical integration with 3,000 e-commerce brands around the world.
 - Objective is to have some Australian suppliers signed up and on Trade Me by Christmas
- When we have better supply, we'll look to market Trade Me's new goods offering to consumers

Post-IPO update: Mobile

- Mobile activity still growing strongly
- Trade Me mobile offering now includes:
 - iPhone app
 - Android app
 - Touch-site for smartphones
 - Basic mobile site for older cellphones
- On-going priorities:
 - iPad app design and release
 - Better sub-site representation
 - Improvements to all existing mobile offerings



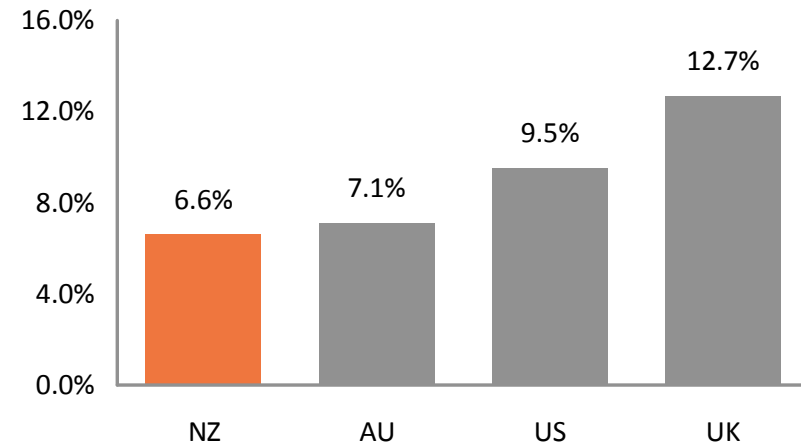


Growth
opportunities

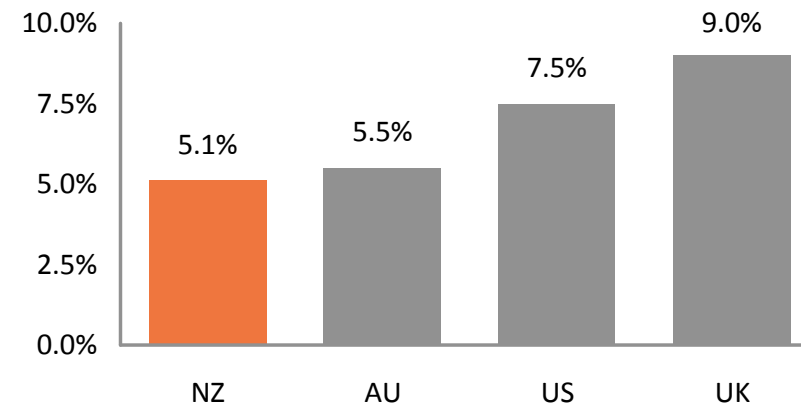
Harness industry growth

- NZ's online transactional and advertising activity lags other markets, but we expect to emulate the growth offshore
- NZ's Ultra Fast Broadband rollout progressing, aims to provide 75% of Kiwis with 100+ Mbps broadband by 2019
- Device improvements continue apace, new models arriving in NZ with less lag
- Mobile and fixed-line data packages improving
- The Network Effect enables Trade Me to be the natural beneficiary of the continued trend to online

Display advertising penetration

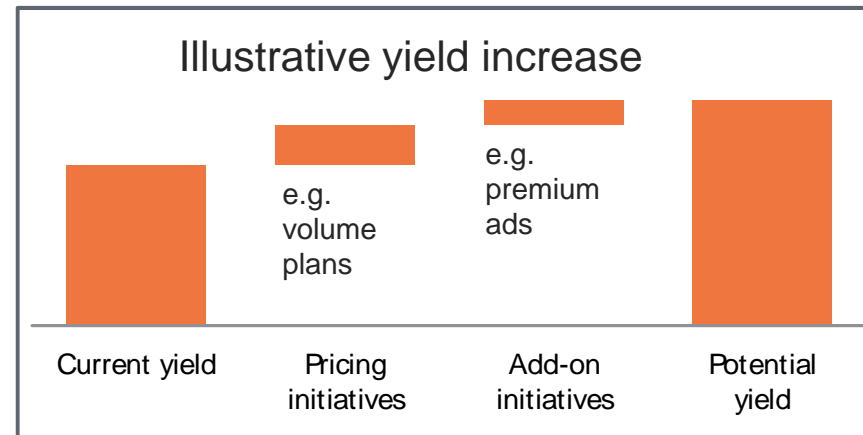


Online retailing penetration



Grow existing business lines

- Grow existing categories and ancillary products:
 - Target high-growth opportunities – e.g. new goods
 - Focus on categories with good underlying growth and potential – e.g. Farming and Services
 - Nurture and grow satellite sites – FindSomeone, TravelBug and Treat Me
- Grow representation across platforms (e.g. mobile, tablets)
- Improve yield
 - Increase range of premium products
 - Constantly optimise pricing to provide great value and fair yield
- Maintain quality of operations and execution



New opportunities

- Trade Me's core capabilities will allow it to leverage into new market opportunities:
 - Network effect and scale, on extremely strong market positions
 - Deep commercial and technology experience in internet models
 - Demonstrated track record in growing new businesses and taking market share
 - Large and engaged audience, with liked and trusted brand
 - Excellent resources and ability to fund business
- Three models to execute on new opportunities
 - Build out from existing operations – e.g. Treat Me
 - Selective acquisitions – e.g. Holiday Houses, Bookit to accelerate Travel
 - Partner/joint venture – Trade Me provides the audience and consumer-facing website and operations, the partner provides the industry-specific systems, relationships, data

Summary investment proposition

- Good track record of earnings growth
- Strong market positions
- Robust revenue models that have stood the test of time
- We have diverse set of businesses in different industries
- Growth sector business, with good prospects
- Low CAPEX requirements
- And we provide a good yield



Appendix 1

FY12 H1

Detailed financials

Financials: Trading Performance Recap

NZ \$000s	H1 FY12	Var to Forecast		Var to Prior Year	
		\$	%	\$	%
General items	32,261	72	0.2%	1,879	6.2%
Classifieds	24,535	518	2.2%	3,425	16.2%
Other	13,184	(193)	(1.4%)	2,833	27.4%
Revenue	69,980	397	0.6%	8,137	13.2%
Employee benefit expense	(7,596)	700	8.4%	(1,225)	(19.2%)
Web infrastructure expense	(1,451)	(53)	(3.8%)	(563)	(63.3%)
Promotion expense	(2,768)	488	15.0%	(789)	(39.9%)
Other expenses	(6,456)	(502)	(8.4%)	(1,166)	(22.0%)
Expenses	(18,271)	634	3.4%	(3,743)	(25.8%)
Share of profit from associate	291	(4)	(1.5%)	(61)	(17.3%)
EBITDA	52,000	1,027	2.0%	4,333	9.1%
Depreciation and Amortisation	(2,280)	90	3.8%	(803)	(54.4%)
EBIT	49,720	1,117	2.3%	3,530	7.6%
Net finance income	336			(2,924)	(89.7%)
Income tax expense	(13,691)			1,144	7.7%
NPAT	36,365			1,750	5.1%

Financials: Cash Flow

- Operating cash flow includes \$12m prepaid member balances transferred to bare trust
- Capex tracking under forecast YTD (and the same expected for full year)
- Related party represents surplus cash transfers to Fairfax
- Dividend paid to Fairfax is post settlement of intercompany balances

NZ \$000s	H1 FY12	H1 FY11
Operating cash flow	25,717	40,532
Capex	(1,963)	(4,010)
Related party	(11,532)	(34,758)
Dividends	(8,229)	0
Other cash flows	(300)	(466)
Net Cash Movement	3,693	1,298
Cash at start of period	6,012	3,477
Cash at end of period	9,705	4,775

Financials: Balance Sheet

- FY11 receivables/payables include related party balances settled prior to IPO
- Intangibles made up of Trade Me goodwill and brand
- \$200m debt facility (\$166m drawn on IPO). Well within debt covenants.

NZ \$000s	H1 FY12	H1 FY11
Cash	9,705	6,012
Trade and other receivables	3,837	43,309
Property, plant & equipment	3,381	4,081
Intangibles	757,855	757,535
Other assets	1,188	736
Total assets	775,967	811,673
Trade and other payables	6,063	25,557
Long term debt	165,708	0
Other liabilities	5,015	16,557
Total liabilities	176,786	42,115
Net assets	599,181	769,558

Prospectus forecast financials

NZ\$m	FY2007	FY2008	FY2009	FY2010	FY2011	1H2012	2H2012	FY2012	1H2013	CY2012
	12 months	12 months	12 months	12 months	12 months	6 months	6 months	12 months	6 months	12 months
	Pro forma historical	Pro forma historical	Pro forma historical	Pro forma historical	Pro forma historical	Pro forma forecast	Pro forma forecast	Pro forma forecast	Pro forma forecast	Pro forma forecast
General Items	33.2	40.5	49.6	57.9	61.5	32.2	32.7	64.8	34.1	66.7
Classifieds	16.2	29.9	33.0	38.7	44.7	24.0	27.1	51.1	27.7	54.8
Other	11.2	14.2	13.4	17.7	22.5	13.4	15.5	28.8	17.2	32.6
Total revenue	60.5	84.6	96.1	114.4	128.8	69.6	75.2	144.8	78.9	154.1
<i>Growth (pcp)</i>	-	39.8%	13.5%	19.1%	12.6%	12.5%	12.3%	12.4%	13.4%	12.9%
Pro forma total expenses	(12.5)	(17.0)	(20.5)	(26.5)	(32.3)	(19.6)	(21.0)	(40.6)	(22.9)	(43.9)
<i>Growth (pcp)</i>	-	36.6%	20.0%	29.3%	22.1%	25.3%	25.7%	25.5%	17.0%	21.0%
Share of profit from associates	0.2	0.3	0.5	0.6	0.5	0.3	0.3	0.6	0.3	0.6
Pro forma EBITDA	48.2	67.9	76.1	88.5	97.0	50.3	54.5	104.8	56.3	110.9
<i>Growth (pcp)</i>	-	40.8%	12.2%	16.2%	9.6%	8.0%	8.1%	8.1%	12.0%	10.0%
<i>EBITDA margin</i>	79.7%	80.2%	79.3%	77.4%	75.3%	72.3%	72.5%	72.4%	71.4%	71.9%
Pro forma EBIT	46.7	64.9	72.7	85.6	93.5	47.9	51.6	99.5	52.8	104.4
<i>Growth (pcp)</i>	-	39.1%	12.0%	17.8%	9.2%	6.3%	6.6%	6.5%	10.2%	8.4%
<i>EBIT margin</i>	77.1%	76.7%	75.7%	74.9%	72.6%	68.9%	68.6%	68.7%	66.9%	67.7%
Interest income								0.9	0.6	0.9
Interest expense								(10.2)	(5.1)	(10.2)
Profit before tax								90.2	48.3	95.2
Tax								(25.3)	(13.5)	(26.6)
Pro forma profit for the period								65.0	34.8	68.5

Notes:

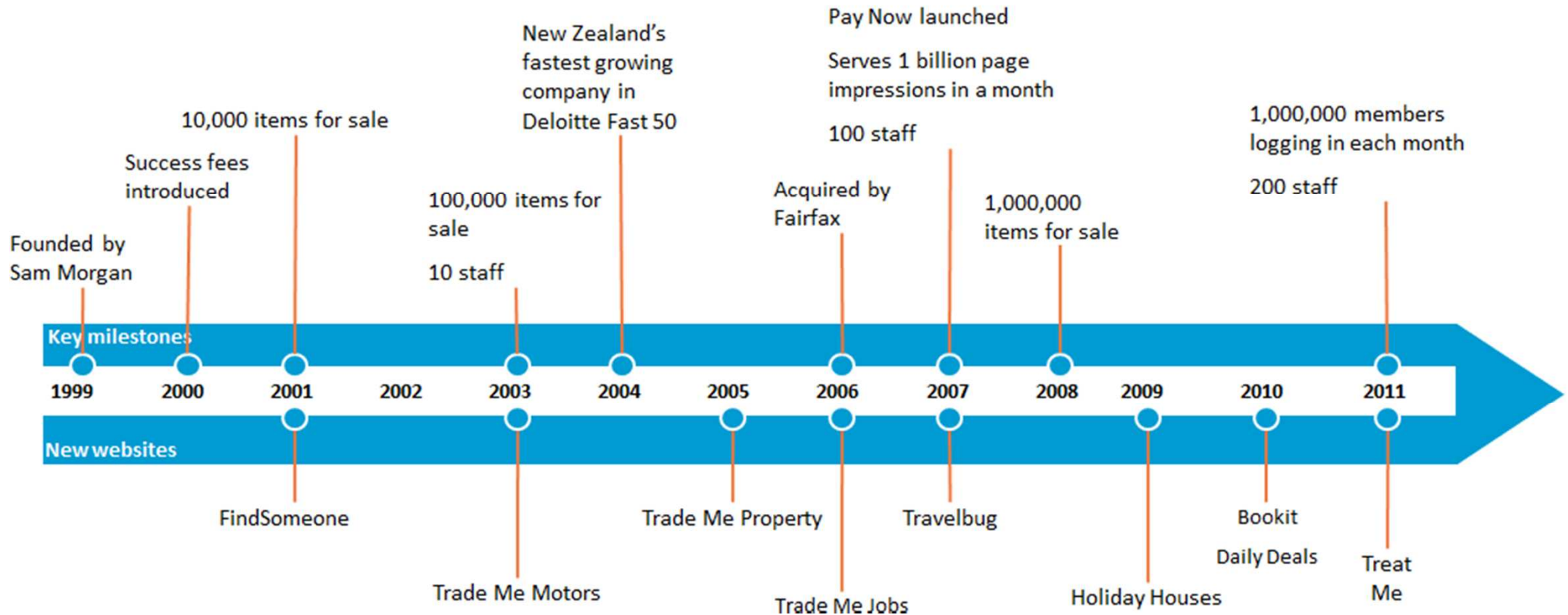
- 1 FY2007 based on 12 month unaudited management accounts.
- 2 Pcp denotes 'previous corresponding period' and is calculated as the percentage change between two comparable periods.
- 3 a) Historical pro forma profitability is presented before interest and income tax due to the different capital structure that will be in place following the Offer. It has also been adjusted to include estimated public company costs that are assumed to be incurred by Trade Me following the Offer.
 b) Forecast pro forma profitability for FY2012 has been adjusted to exclude the costs related to a one-off Trade Me Employee Gift Offer. It has also been adjusted to include a full year of estimated public company and financing costs as though Trade Me is standalone for the full year, and the resulting tax impact of these adjustments.
 c) No adjustments have been made to forecast profitability for 1H2013, and pro forma forecast profitability for the 12-month period ending 31 December 2012 (CY2012) is provided as additional information.



Appendix 2

Background information

Company timeline



Segment detail: General items

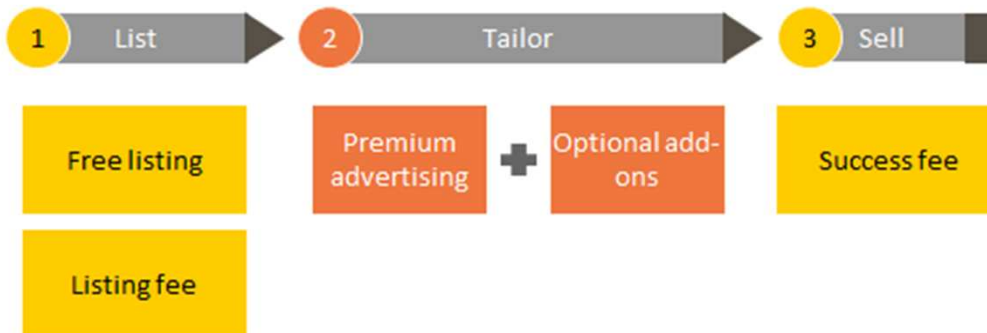


General items: 48% FY2011 revenue

Description

- Trade Me's core market place
 - comprises 21 categories of merchandise
 - new and used goods for sale—approximately 40% of items sold are new
- Items sold through a range of formats,
 - auctions;
 - fixed price transactions ("Buy Now"); and
 - classified format (for selected categories)
- Inventory sourced from casual customers and businesses

Revenue model



Pay Now payment mechanism

- Pay Now is Trade Me's proprietary payment system which allows buyers to pay sellers using credit cards
 - no fees are directly borne by buyer
 - Pay Now fee charged to sellers with discounts for Top Sellers
- Trade Me acts as the merchant and settles the funds into the seller's bank account after appropriate fraud checks
 - Trade Me does not hold credit card details
- Pay Now provides buyers and sellers with an easier way to transact as well as instant notifications following the transfer of funds

Segment detail: Classifieds



Motors: 16% FY2011 revenue

- Inventory derived from private sellers (c.45%) and dealers (c.55%)
- Comprehensive dealer inventory accessed through Autobase 59,000 listings currently live to site
- 157,000 visitors each day spending an average of 24 minutes on site



Property: 12% FY2011 revenue

- Accounts for c.95% of all New Zealand property listings online
- Inventory derived from direct and agency listings
- 117,000 listings currently live to site
- 92,000 visitors each day spending an average of 23 minutes on site



Jobs: 7% FY2011 revenue

- Trade Me is the #2 participant in the New Zealand online jobs market
- Listings sourced from agent listings (recruitment companies and employers) and casual listings
- 10,000 listings currently live to site
- 55,000 visitors each day spending an average of 5 minutes on site

Revenue model

	Motors	Jobs	Property
Private fee structure	Upfront listing fee	Upfront listing fee	Upfront listing fee
Agent/dealer fee structure	Tiered volume plans	Job packs and volume plans	Volume plans
Premium products	✓	✓	✓
Maximum listing period	14 days	30 days	56 days

Segment detail: Other



Advertising: 12% FY2011 revenue

- Trade Me is one of New Zealand's leading providers of online advertising
- Trade Me's advertising business is made up of;
 - display advertising;
 - business partners; and
 - Google AdSense
- More than 350 million page impressions each week
- 700,000 visitors each day



New businesses: 6% FY2011 revenue

- Trade Me also operates businesses in the group buying, travel and personals segments
- 1 Treat Me: Group buying website launched in March 2011
 - more than 550,000 subscribers
 - more than 640,000 coupons bought
 - 2 Holiday Houses, Bookit and Travelbug websites
 - 3 Findsomeone: #1 by revenue and #2 by traffic
 - 45,000 active members

Revenue model

Business	Fee structure
Advertising	Tenancy, Cost Per thousand Impressions (CPM), Cost Per Click (CPC) or Cost Per Action (CPA) (clicks on adwords for Google AdSense)
Treat Me	Commission based on deal value
Travel	Yearly subscription/transaction commission
Findsomeone	Monthly subscription