

30 October 2013

Company Announcements Office
ASX
Australian Stock Exchange Centre
20 Bridge Street
Sydney
NSW 2000
AUSTRALIA

Dear Sir/Madam

**TRADE ME GROUP LIMITED (TME)
ANNUAL MEETING**

Please find attached the following presentations which will be delivered at the company's annual meeting of shareholders, to be held at 4pm today in Wellington, New Zealand:

- Chairman's speech;
- CEO's presentation.

These documents will be available on Trade Me's investor relations website this afternoon.

Yours faithfully



Sarah Hard
Company Secretary



Chairman's address to Annual Meeting, 30 October 2013

2013 has been a successful year for the company.

As you'll know Trade Me was floated on the stock exchange by Fairfax Media in December 2011. The year we are reporting on today, the year from 1 July 2012 to 30 June 2013, is therefore the company's first full year as a publicly listed company.

Between us Jon and I are going to answer very briefly three important questions we anticipate you have in mind. These are:

1. How has the company I invested in performed in the last year?
2. What opportunities and ideas do the management have to ensure the company will perform well in the future? and
3. Is the management capable of taking advantage of the opportunities the company has in front of it?

I will say something briefly about the first and second questions but Jon will talk in more detail about how the company has performed in 2013 and the opportunities the company has in front of it to continue the growth we have seen this year.

Jon has a conflict of interest of course in talking about the third question – how good the management are - and anyway he is too modest to do a good job of that so I will do that alone.

To begin with, performance in 2013. I am pleased to say the company has performed well.

Some very high-level metrics that will help you to understand the performance of the company in the 2013 financial year are up on the screen now.

You can see that compared to 2012, in 2013:

- Revenue grew by 15%
- Earnings Before Interest Tax Depreciation and Amortisation grew by 12%, and
- Net Profit grew by 4%

The growth in revenue and EBITDA is satisfactory but the 4% rate of increase in net profit in 2013 compared to 2012 needs explaining.

There are three reasons why the comparison of net profit growth in 2013 compared to 2012 is not a good indication of the underlying performance of the company:

The first is that in 2012 we had just 7 months of paying interest on debt as the company was only publicly listed for 7 months in that year. In 2013 however we had a full 12 months of interest payments.

Secondly, in 2012 we had a non-cash gain on the sale of a business that was not repeated in 2013, and finally in 2013 we had significantly higher depreciation than in 2012.

The first two items are 'one-offs' but we expect our depreciation to continue at that level or to increase as we invest further in the business.

Our dividend payout ratio remains at around 80% of net profit after tax at present. This means from the 2013 net profit after tax we have paid a total of 15.8 cents per share to shareholders.

The shareholding of the company has changed significantly in the last year.

Specifically, in December last year Fairfax Media sold the 51% of the company it owned to a wide range of institutional investors in Australia and New Zealand. This sell-down by Fairfax has been good for the company.

It has increased the number of shares available for trading on the NZX and ASX and accordingly has increased the market capitalization of Trade Me. This is important because it has moved Trade Me into the NZX 10 and the ASX 200 indices.

As Trade Me's market capitalisation has grown so has the company's weighting on these indices and in turn the company's weighting in the portfolios of index return conscious investors.

The sale of Fairfax Media's shareholding led to a number of changes to the Board, which I mentioned when I introduced the directors to you a moment ago.

In addition Greg Hywood, the Chief Executive of Fairfax Media, resigned from the Board after the sale of Fairfax's shares to focus on his duties at Fairfax. Greg was an engaged and thoughtful director and we thank him for his service with us.

I will finish with a few words on the management team. Jon Macdonald, your CEO, has had a very busy year. And he and his team have performed very well indeed.

The management team at Trade Me today needs to balance delivery of short term growth in earnings - which we all want to see, so the dividends continue to rise and the share price continues to tick up - with investment in new products and businesses that will contribute to Trade Me's earnings in the future.

In the short term this investment in developing new business is a drag on profit. We get the costs associated with the new investment before we get the revenue and profit from it.

The classified businesses - Trade Me Jobs, Trade Me Motors and Trade Me Property are delivering the bulk of the earnings growth today and we expect this to continue in the years ahead.

On the other hand the continuing development of the marketplace for new goods is the largest initiative where we are investing and incurring costs, to drive future revenue and earnings.

Jon will speak more about this, but I want to say that the Board believes that Jon and his team are doing an excellent job in balancing the need to generate more profit from our established businesses with the need to invest in new businesses that will drive new earnings in the future.

We are very lucky to have such a quality team. As I said, all the senior team are here and they will be only too happy to answer any questions you may have over a cup of tea or a beer after the meeting.

Thank you for your attention.

Trade Me Annual Meeting

30 October 2013

David Kirk
Chairman

Jon Macdonald
CEO



Meeting agenda

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David Kirk

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David Kirk

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Jon Macdonald

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David Kirk

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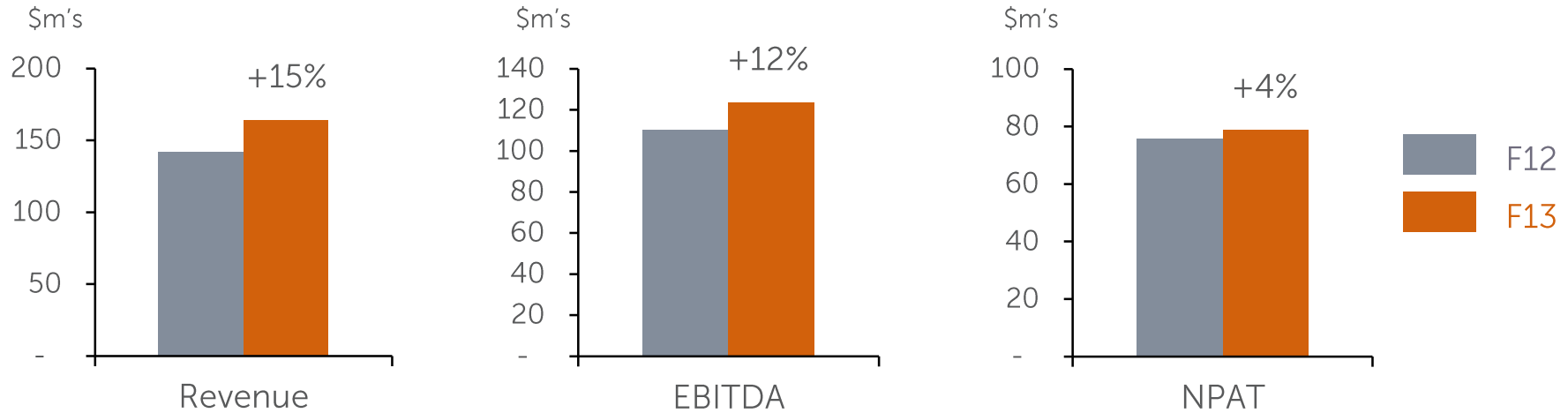
David Kirk

Chairman's overview

David Kirk
Chairman



F13 review – a solid year of growth



- EBITDA increased by less than revenue as we invested to drive the business
- NPAT increased by less than EBITDA due to interest costs and amortisation costs

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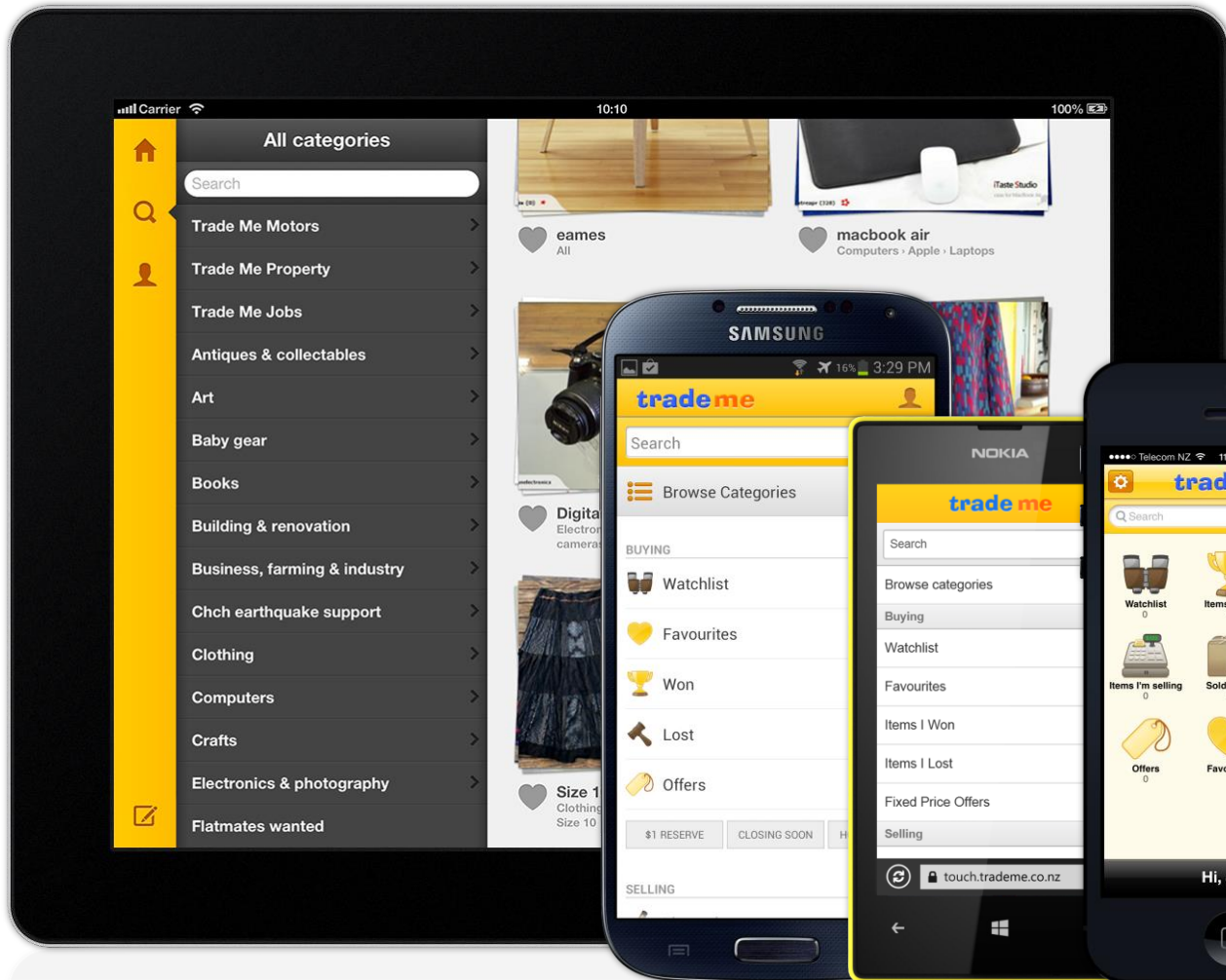


Overview

- Trade Me operates online auctions, online classifieds and display advertising businesses.
- Niche businesses in travel, online dating and insurance comparison.
- Strong brand, track record, market positions, and potential.



The screenshot displays the Trade Me website interface. At the top, there are banners for 'findsomeone' and 'LifeDirect by trademe'. The main header includes the 'trademe' logo with the tagline 'Where Kiwis Buy and Sell', and navigation links for 'Browse', 'Sell', 'My Trade Me', and 'Community'. A search bar is prominently featured, along with 'Watchlist' and 'Favourites' icons. Below the search bar, a 'Categories' menu is visible, listing various product types such as 'Antiques & Collectables', 'Art', 'Baby Gear', 'Books', 'Building & Renovation', 'Business & Industry', 'Cars, Bikes & Boats', 'Clothing', 'Computers', 'Crafts', 'Electronics & Photography', 'Farming', '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', 'Travel, Events & Activities', 'Stores', '\$1 Reserve', 'Closing Soon', and 'Hot Listings'. A 'New or Used?' filter is also present. The main content area features a 'Cool Auctions' section with a listing for a 'Beautiful old MG' for \$32k, a 'Compare life insurance' section with a form for gender, smoking status, age, and cover amount, and a 'Hotel and Motel deals' section for '33 Lomond Lodge Ltd Queenstown'. At the bottom, there is a 'Featured Listings' section with two images of motorized vehicles, one labeled 'Buy New' and the other 'Buy Used'.



- Carrier 10:10 100%
- All categories
- Search
- Trade Me Motors >
 - Trade Me Property >
 - Trade Me Jobs >
 - Antiques & collectables >
 - Art >
 - Baby gear >
 - Books >
 - Building & renovation >
 - Business, farming & industry >
 - Chch earthquake support >
 - Clothing >
 - Computers >
 - Crafts >
 - Electronics & photography >
 - Flatmates wanted

10:10 100%

Trade Me

Search

Trade Me Motors

Trade Me Property

Trade Me Jobs

Antiques & collectables

Art

Baby gear

Books

Building & renovation

Business, farming & industry

Chch earthquake support

Clothing

Computers

Crafts

Electronics & photography

Flatmates wanted

Search

Trade Me

Search

Browse Categories

BUYING

- Watchlist
- Favourites
- Won
- Lost
- Offers

\$1 RESERVE CLOSING SOON

SELLING

SAMSUNG

trade me

Search

Browse Categories

BUYING

- Watchlist
- Favourites
- Won
- Lost
- Offers

\$1 RESERVE CLOSING SOON

SELLING

NOKIA

trade me

Search

- Browse categories
- Buying
- Watchlist
- Favourites
- Items I Won
- Items I Lost
- Fixed Price Offers
- Selling

touch.trademe.co.nz

Telecom NZ 11:39 100%

trade me

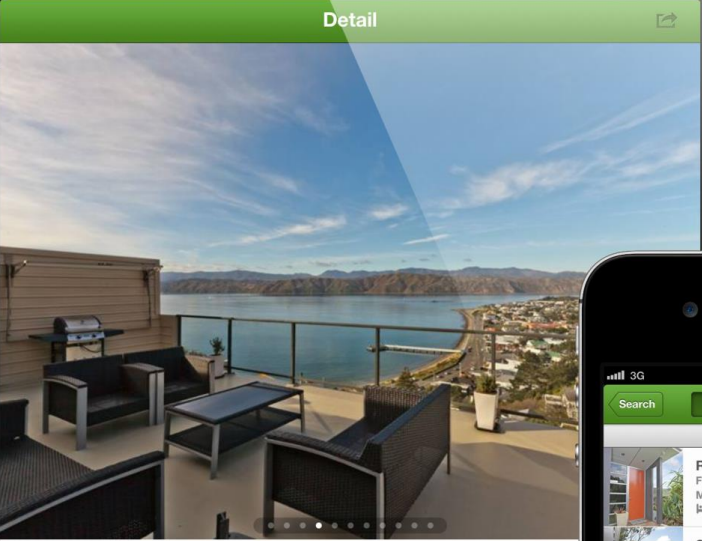
Search

- Watchlist
- Items I won
- Items I lost
- Items I'm selling
- Sold items
- Unsold items
- Offers
- Favourites
- List an item

Hi, Jon! Account



- 22 listings
- Asking price \$450,000
Miramar, Wellington
2 1
- Riveting Residence On Rot...**
Enquiries over \$670,000
Miramar, Wellington
4 1
- Beautiful Maupuia Townho...**
Asking price \$563,000
Maupuia, Wellington
3 1
- The Seatoun Lifestyle - Ser...**
Enquiries over \$670,000
Seatoun, Wellington
3 3
- Maupuia 2 Bedroom Apart...**
Asking price \$220,000
Maupuia, Wellington
2 1
- Sunny Town House In Pop...**
Enquiries over \$349,000
Maupuia, Wellington
2 1
- Be First In To This Quality...**
Enquiries over \$820,000
Karaka Bays, Wellington
4 3
- Location first renovate later**
Price by negotiation



The Seatoun Lifestyle - Seriously for Sale

Enquiries over \$670,000
Seatoun, Wellington
3 3

- 6 listings
- RELAX AND ENJOY!**
For sale by tender
Miramar, Wellington
3 2
- SEATOUN STARTER**
For sale by tender
Seatoun, Wellington
4 2
- SECURE, LIGHT, SINGLE...**
For sale by tender
Seatoun, Wellington
3 2
- Sun, Sea & School**
For sale by tender
Seatoun, Wellington
4 2

VIERA

trademe
Where Kiwis Buy and Sell



Search



Browse

BUYING

Watch List

Items I won

Items I lost

SELLING

Items I'm Selling

Sold Items

Unsold Items

Hi Thirumal!

Logout

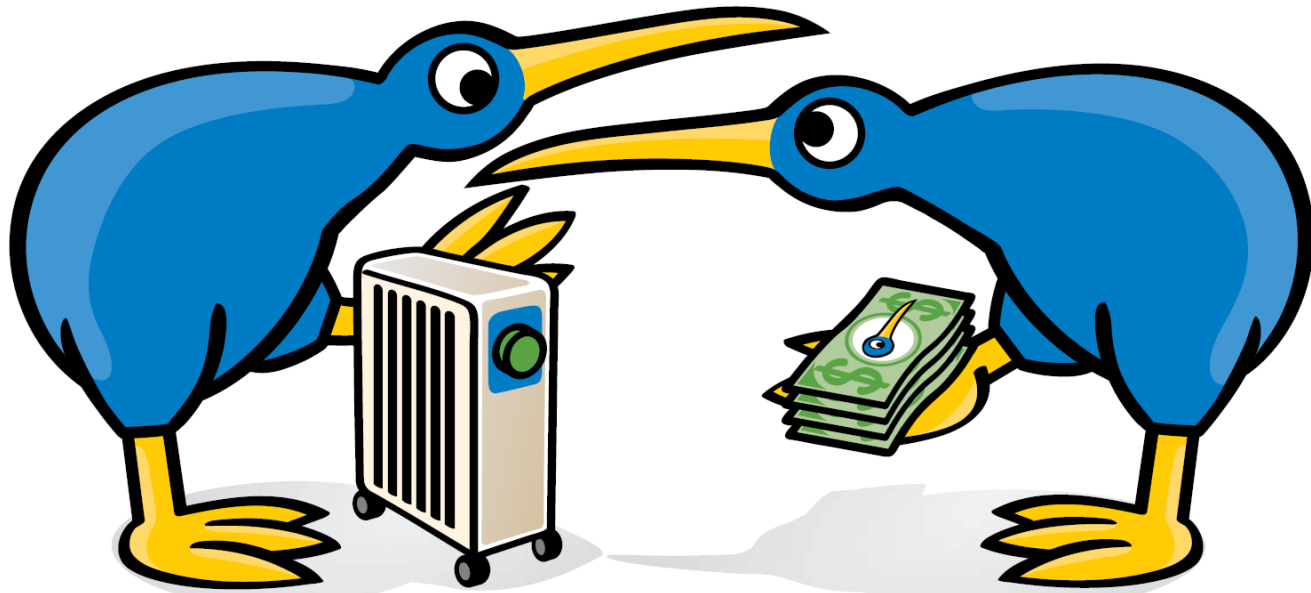
Thu 22 Nov, 2:37 am

Hide Trademe

Exit Trademe

Refresh

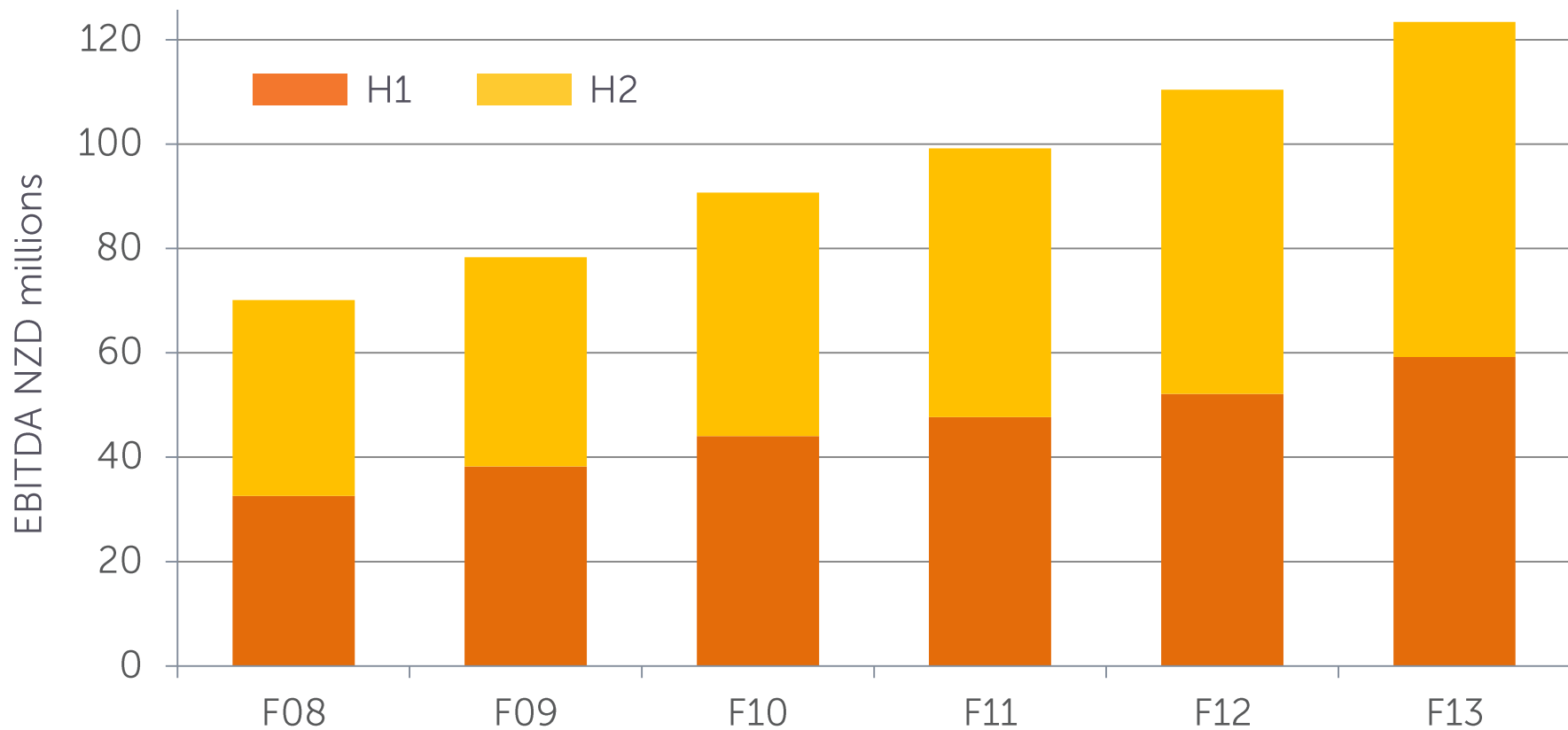
Panasonic



F13 financial results – segment performance

| NZD \$'000 | Revenue | Prior year variance | |
|----------------------|----------------|---------------------|--------------|
| | | Var \$ | Var % |
| General items | 65,496 | 3,088 | 4.9% |
| Classifieds | 69,708 | 15,804 | 29.3% |
| Other | 28,910 | 2,764 | 10.6% |
| Total revenue | 164,114 | 21,656 | 15.2% |
| | | | |
| Total EBITDA | 123,462 | 13,055 | 11.8% |

F08 – F13 Earnings



Update – General items

- Gross sales flat last year. No growth in sales to report for F14 YTD.
- Mixed performance across categories, with a shift towards buy now purchases.
- Platform improvements under way.
- Advertising campaign underway to reacquaint the public with Trade Me.
- New goods efforts continuing - sellers on board from Australia, Hong Kong and the United States.

Buy New

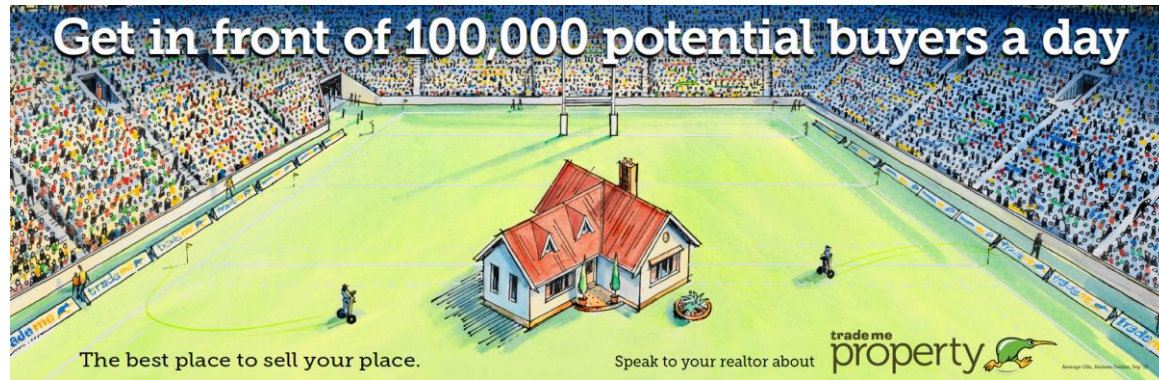
Buy Used



Whatever you prefer, you can buy it on

Operational update - Classifieds

- Strong income growth and great prospects.
- Property: reworking the structure of our rate card to accelerate the shift of spend from print to online (& allow agents to reduce their cost).



- Jobs: Continued growth in market share.
- Ongoing product development to increase the value we provide our customers.

Operational update - Other

- Advertising income stable – display ad sales ok, but performance ad revenue flat.
- Pay Now profitable and growing.
- FindSomeone - growing well as we enhance our product.
- Divested Treat Me - increasingly pessimistic about group buying.
- Acquired Holiday Homes to augment our offering in holiday rental accommodation.
- Acquired LifeDirect, an online insurance comparison provider.

Investing for the long term

- We announced in August the need to properly reinvest to defend revenue and ensure we're positioned well for the long term.
- Hire technologists to speed up our innovation and ensure our offering remains relevant – approx. 40 new people in F14 in product design and development.
- Increasing leadership capability around the business. Senior hires in Ads, Marketplace and Jobs already started, looking to fill leadership roles in Property, Design and Analytics.
- Greater promotional spend. Advertising campaigns for Trade Me Jobs, Trade Me Property and our General items marketplace.

Trading and outlook

- F14 has started in line with our expectations, and guidance at our full year results.
- **Revenue outlook:** We are a two-speed business with good growth in Classifieds but short-term challenges in General items.
- **Expense outlook:** Growing the team & increasing our marketing spend, to properly defend and grow our business.
- **F14:** Slower growth than we've recorded in F13.
- **For F15 and beyond:** Expecting an increase in EBITDA growth as our investments over the coming year produce returns.

Long term prospects

- Extend existing businesses, with a focus on:
 - Defending and growing our general items marketplace.
 - New products and pricing in our Classifieds businesses.
 - Mobile opportunities and extension.
- Take full advantage of online growth, as consumer online adoption continues to grow and businesses move their advertising spend online.
- Leverage our strong position online in NZ to identify and execute on new opportunities.



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Resolution #1

That the directors are authorised to fix the auditors' remuneration

Resolution #2

That the maximum aggregate amount that may be paid each year to the directors of Trade Me Group Ltd for their services as directors be increased from \$650,000 to \$800,000

Resolution #3

That Paul McCarney be elected as a director of
Trade Me Group Ltd

Resolution #4

That Sam Morgan be re-elected as a director of
Trade Me Group Ltd

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