

22 February 2012

Company Announcements Office
Australian Stock Exchange Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Dear Sir/Madam

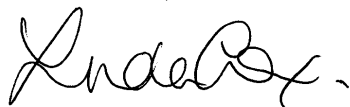
**TRADE ME GROUP LIMITED (TME)
INTERIM RESULT (FOR THE SIX MONTHS TO 31 DECEMBER 2011)**

Please find attached the financial information required by ASX Listing Rule 4.2A together with a copy of the Company's Interim Result presentation and the Trade Me Group financial statements for the six month period ended 31 December 2011.

Attached:

1. Appendix 4D (NZSX LR 10.4.2) detailing the preliminary announcement for the six month period ended 31 December 2011;
2. Media release;
3. Interim report for the six month period ended 31 December 2011;
4. Directors' declaration (ASX LR 4.2A.2) in respect of the half-year financial statements and notes;
5. Analyst presentation.

Yours faithfully



Linda Cox
Company Secretary for Trade Me Group Limited

APPENDIX 4D

Trade Me Group Limited

ARBN 154 115 723

Incorporated in New Zealand

Half Year Report

Reporting Period 1 July 2011 to 31 December 2011

Previous Reporting Period 1 July 2010 to 31 December 2010

Results for Announcement to the Market For the half year ended 31 December 2011

NZD 000s		
Revenue	Up 13.2% to	69,980
Profit from ordinary activities after tax attributable to security holder	Up 5.1% to	36,365
Net profit attributable to security holder	Up 5.1% to	36,365

Dividends – Ordinary Shares	Amount per Security NZD	Franked amount per Security NZD
Interim Dividend	-	-
Payment Date	-	-

For commentary on the results please refer to the Commentary and Media Announcement attached.

Financial information

The appendix 4D should be read in conjunction with the consolidated financial statements for the six months ended 31 December 2011 as contained in the interim report attached.

Net Tangible Assets per Security	Current period NZD cents	Previous corresponding period NZD cents
Net tangible assets per security	(40.10)	3.04

Interim result: Trade Me hits prospectus forecast

- *First set of IPO prospectus targets achieved*
- *EBITDA of \$52 million (up 9% on prior year, up 2% on forecast, and a new record) ¹*
- *NPAT of \$36.4 million (up 5% on prior year) ²*
- *Revenue slightly ahead of expectations (and up 13.2% on prior year), expenses slightly below expectations*
- *Earnings and dividend guidance remain unchanged from the prospectus*

Online marketplace and classified advertising business Trade Me Group Ltd released its interim financial results for the six months to 31 December 2011 this morning.

Trade Me CEO Jon Macdonald said the results were pleasing. "It's good to deliver on the numbers we forecast in the IPO offer documents, especially given the backdrop of broader economic uncertainty over the past few months. Now it's back to business and delivering on the rest of our prospectus numbers, doing a great job for our members, partners and clients, and best positioning Trade Me for long-term growth."

Revenue

Mr Macdonald said there were "no big surprises" in revenue across Trade Me's various business lines. "The core general items marketplace performed in line with expectations, while in the classified businesses, the results were a little stronger than we'd anticipated."

Mr Macdonald said display advertising had been impacted by the distraction of the Rugby World Cup, and a weak retail environment. He said group-buying website Treat Me was growing, but is in "a tough, highly competitive industry". The travel businesses and online dating website FindSomeone both exceeded expectations.

Expenses

Trade Me's expenses increased broadly in line with expectations. "We're continuing to build the business to make the most of the opportunities in front of us, as well as investing in safe and trusted marketplaces for our members," Mr Macdonald said.

Priorities

Mobile remained a key focus area. "The number of people accessing our sites to buy and sell from their smartphones is increasing. We've completed a number of mobile projects in the past half-year and there are more to come."

Growing new goods sales was also a priority. "Already over 40% of the items sold on Trade Me are brand new. We're working on arrangements with several partners to help integration with retailers, and we'll continue to make the website a better place to buy new goods."

Looking ahead

Mr Macdonald said the expectation was that New Zealand would remain a “challenging but passable trading environment” over the next 12 months. “Trade Me collects numbers on many of the key categories underpinning consumer and business sentiment – job listings, houses for sale and rent, motor vehicle volumes – and we also have a lens on general retail. When we look across all our categories, we expect a slow and hesitant recovery over the remainder of 2012. Despite this, the business is on track to deliver good revenue growth, and our earnings and dividend guidance remain unchanged from prospectus time.”

Notes:

1. All figures are from statutory financials. Continuing the pro forma basis used in the prospectus, EBITDA is \$51.3m (up 0.7% on forecast and up 10.2% YoY).
2. No NPAT forecast included in prospectus. NPAT at lower YoY growth primarily due to Trade Me’s change in capital structure (less interest income in H1 FY12, and some interest expense since IPO).

-ends-

More info: Trade Me investor website: <http://investors.trademe.co.nz/>

Contact: Paul Ford, Trade Me, +64 4 803 2611, paul@trademe.co.nz



Trade Me Group Limited Interim Report

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

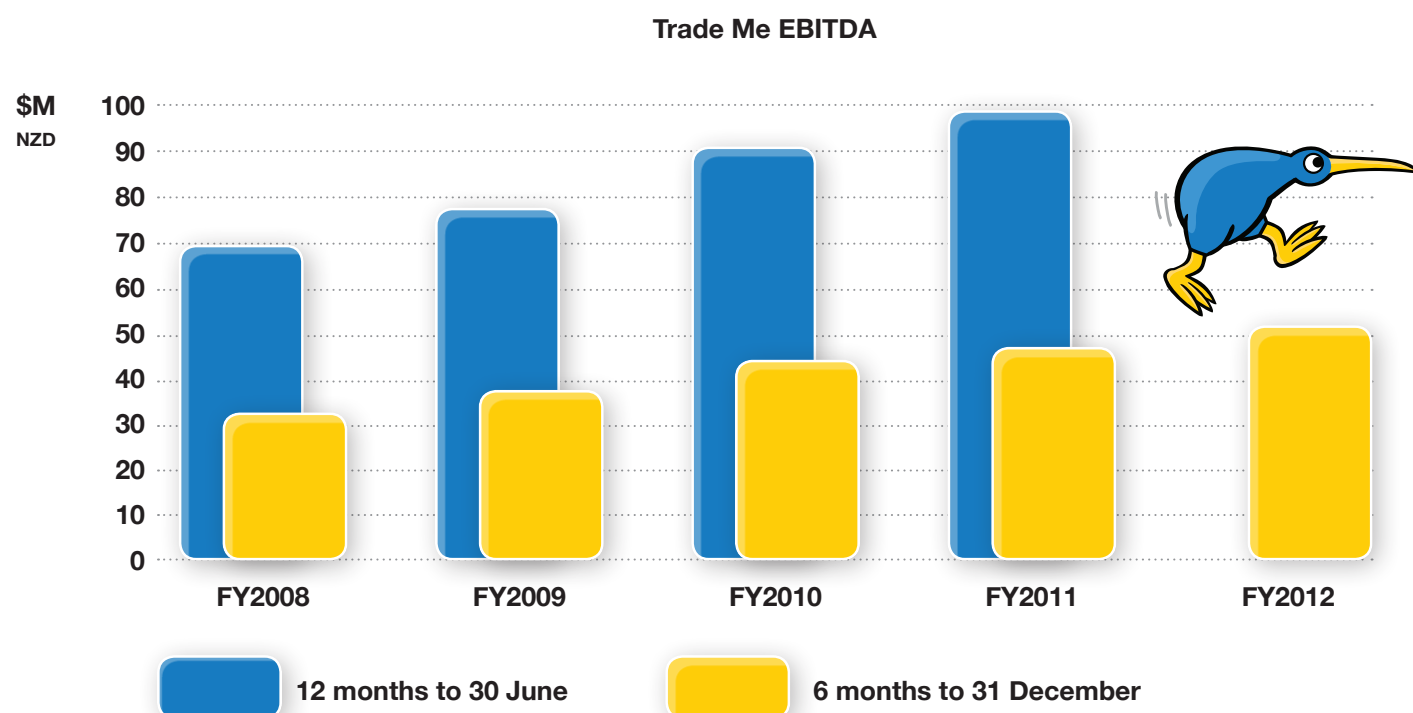


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HIGHLIGHTS

- We've hit the targets we set out in the prospectus at IPO time.
- Our EBITDA was \$52.0 million (a record for us) – up 9% on the prior year, and up 2% on our forecast. ¹
- Our NPAT was \$36.4 million – up 5% on prior year. ²
- Revenue slightly ahead of expectations (and up 13.2% on the prior year), expenses slightly below expectations.
- We successfully listed as a stand-alone company on NZX and ASX, with good market support.
- With the IPO behind us, we're now focussed on growth and executing on opportunities.
- We made good progress extending our businesses onto mobile, and we're also laying the groundwork for expanding new goods on Trade Me.
- Our earnings and dividend guidance remains unchanged from the prospectus.
- For more investor information visit <http://investors.trademe.co.nz/>



1. All figures are from statutory financials. Continuing the pro forma basis used in the prospectus, EBITDA is \$51.3m (up 0.7% on forecast and up 10.2% YoY).
2. No NPAT forecast included in prospectus. NPAT at lower YoY growth primarily due to Trade Me's change in capital structure (less interest income in H1 FY12, and some interest expense since IPO).

COMMENTARY

Dear Shareholder,

Thank you for investing in Trade Me.

We're pleased to deliver a good half year result for our new shareholders. Trade Me met its forecast financial result for the period, as set out in the investment statement and prospectus at IPO time. Our EBITDA grew by 9% compared to the previous corresponding period, to another record high of \$52.0 million.

The half year also saw continued developments across our family of businesses, including the launch of Treat Me Now location specific deals, further expansion into mobile, and a strong end to the period in our general items business.

Financial performance

Final EBITDA for the period was \$52.0 million, up 9% on the prior year, and up 2% on our forecast. NPAT was \$36.4 million.

Our general items marketplace performed in line with expectations, while the results across the classifieds businesses of Motors, Property and Jobs were a little stronger than we'd anticipated. Trade Me Motors enjoyed some relaxation of the supply constraints present in the automotive industry for much of 2011, while Trade Me Jobs saw strong growth in July and August in particular.

Display advertising was impacted by the distraction of the fantastic Rugby World Cup, and a weak retail environment. Our new group-buying website Treat Me is growing, but operates in a tough sector that is rightly undergoing some consolidation. By contrast, the travel businesses, and our online dating website FindSomeone exceeded expectations, off the back of new product innovations and entrepreneurial approaches.

Our expenses increased broadly in line with expectations. To make the most of opportunities, we've continued to build across our operational, commercial and technical divisions. We are also continuing to invest in providing a safe and trusted marketplace for our members, through people and tools. Over the six months, our full time equivalent staff numbers increased from 166 to 215, and we continue to hire in some areas.

As outlined in our investment statement and prospectus, no interim dividend will be paid this half year. Our dividend guidance of 80% of NPAT at full year remains unchanged.

New faces in the Executive team

Over the last two months, we have completed the expansion of our executive team, gaining two seasoned executives. Jonathon Klouwens will join Trade Me as Chief Financial Officer in March, having previously been Chief Financial Officer for House of Travel. Mike DelPrete is our new Head of Strategy and was previously Chief Executive and founder of Agora Games, a New York technology business that builds online gaming software.

Together with the existing team, this gives us a strong and skilled executive team to drive growth across the business, and ensure we stay connected with our members.

Expansion into mobile

We continue to see the number of people accessing Trade Me from mobile devices increasing, and have no doubt this trend will continue. Our iPhone application has been downloaded over 300,000 times, and in January people logged in through our iPhone application more than four million times.

With this in mind, we've completed a number of mobile projects in the past half year including: an Android application for Trade Me, the first Kiwi mobile dating site for FindSomeone, and a new mobile site for Travelbug. We have also grown the size of our mobile team to allow us to do additional mobile builds over the coming year.

New goods partnerships

Growing new goods sales on Trade Me is a priority. Already over 40% of all things sold on Trade Me are brand new. We're working on arrangements with several partners to help integration with retailers, and we will continue to make the website a better place to buy new goods. However, we're very conscious of Trade Me's roots, and the special dynamics that exist in the auctions of used goods. We will be careful to balance the needs of our entire community.

Community involvement

Regardless of our new ownership structure, we've continued to be active in our contribution to the community. Trade Me responded promptly to the devastating Christchurch earthquake of 22 February 2011 with a recovery website providing free listings for accommodation and other support launched the day after the quake. We also built the www.landcheck.govt.nz website for the NZ Government on a gratis basis.

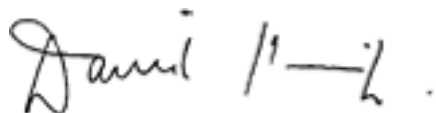
We took the free Wi-Fi model we launched in Wellington in January last year, and rolled it out to Christchurch in November. We helped run thousands of charity auctions last year, including dedicated events for Plunket, Starship Foundation, and Oxfam.

Outlook

The New Zealand trading environment is expected to remain challenging over the next 12 months. Despite this, our earnings and dividend guidance remains unchanged from the prospectus.

With the IPO and listing now well behind us, it's very much back to business which means providing great value to our members, a safe and trusted marketplace, and best positioning Trade Me for long-term growth. It's a challenge we relish.

Sincerely,



David Kirk
Chairman



Jon Macdonald
Chief Executive Officer

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011**

	Notes	Unaudited Six months ended 31 December 2011 (NZD 000s)	Unaudited Six months ended 31 December 2010 (NZD 000s)
Revenue		69,980	61,843
Employee benefit expense		(7,596)	(6,371)
Web infrastructure expense		(1,451)	(888)
Promotion expense		(2,768)	(1,979)
Other expenses		(6,456)	(5,290)
Total expenses		(18,271)	(14,528)
Share of profit from associate	8	291	352
EBITDA		52,000	47,667
Depreciation and amortisation		(2,280)	(1,477)
EBIT		49,720	46,190
Finance income	7	668	3,260
Finance costs		(332)	-
Profit before income tax		50,056	49,450
Income tax expense		(13,691)	(14,835)
Profit for the period		36,365	34,615
Total comprehensive income for the period		36,365	34,615
Earnings per share			
Basic/Diluted (cents per share)	9	9.19	8.75

The above statement should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	Unaudited As at 31 December 2011 (NZD 000s)	Audited As at 30 June 2011 (NZD 000s)
ASSETS			
Current assets			
Cash and cash equivalents		9,705	6,012
Trade and other receivables	15	3,837	43,309
Total current assets		13,542	49,321
Non-current assets			
Property, plant and equipment		3,381	4,081
Deferred tax asset		638	189
Investment in associate	8	550	546
Intangible assets	4	757,856	757,536
Total non-current assets		762,425	762,352
Total assets		775,967	811,673
LIABILITIES			
Current liabilities			
Trade and other payables	16	6,063	25,557
Interest bearing liabilities	5	332	-
Income tax payable		4,585	16,308
Total current liabilities		10,980	41,865
Non-current liabilities			
Interest bearing loans and borrowings	5	165,708	-
Other non-current liabilities		98	250
Total non-current liabilities		165,806	250
Total liabilities		176,786	42,115
EQUITY			
Contributed equity	3	1,069,051	-
Share based payment reserve		29	-
Other reserves		(485,737)	749,885
Retained earnings		15,838	19,673
Total equity attributable to owners of the parent		599,181	769,558
Total equity and liabilities		775,967	811,673

The above statement should be read in conjunction with the accompanying notes.

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011**

	Notes	Ordinary Shares (NZD 000s)	Share Based Payment Reserve (NZD 000s)	Retained Earnings (NZD 000s)	Other Reserves (NZD 000s)	Total Equity (NZD 000s)
As at 1 July 2010	4	-	-	169,925	749,885	919,810
Total comprehensive income		-	-	34,615	-	34,615
At as 31 December 2010		-	-	204,540	749,885	954,425
Total comprehensive income		-	-	35,133	-	35,133
Dividends on Trade Me Limited ordinary shares		-	-	(220,000)	-	(220,000)
As at 30 June 2011		-	-	19,673	749,885	769,558
Total comprehensive income		-	-	36,365	-	36,365
Dividends on Trade Me Limited ordinary shares	6	-	-	(40,200)	-	(40,200)
Share based payments	10	-	29	-	-	29
Shares issued to Fairfax Digital Holdings NZ Limited	3	705,672	-	-	(705,672)	-
Initial public offering	3	363,379	-	-	-	363,379
Distribution to Fairfax New Zealand Holdings Limited	2(b)	-	-	-	(529,950)	(529,950)
As at 31 December 2011		1,069,051	29	15,838	(485,737)	599,181

The above statement should be read in conjunction with the accompanying notes.

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011**

	Notes	Unaudited Six months ended 31 December 2011 (NZD 000s)	Unaudited Six months ended 31 December 2010 (NZD 000s)
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		79,594	70,269
Payment to suppliers and employees (inclusive of GST)		(26,496)	(21,001)
Cash transferred to Trust	16	(11,771)	-
Income tax paid		(16,527)	(11,500)
Interest received		630	2,535
Dividends received		287	229
Net cash flows from operating activities		25,717	40,532
Cash flows from investing activities			
Loans to related parties		(11,532)	(34,758)
Payment for purchase of property, plant and equipment		(591)	(3,222)
Payment for purchase of software and other intangibles		(1,372)	(788)
Net cash flows (used in) investing activities		(13,495)	(38,768)
Cash flows from financing activities			
Dividends paid		(8,229)	-
Interest paid on borrowings (including facility fees)		(300)	-
Net cash flows (used in) financing activities	2(b)	(8,529)	-
Net increase in cash and cash equivalents		3,693	1,764
Cash and cash equivalents at beginning of period		6,012	3,477
Cash and cash equivalents at end of period		9,705	5,241

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

1. General information

The consolidated interim financial statements presented are for Trade Me Group Limited (the Company) and its controlled entities (the Group), a company domiciled in New Zealand and registered under the Companies Act 1993.

The interim financial statements are for the six months ended 31 December 2011 and have been prepared in accordance with NZ GAAP. Trade Me Group Limited is a profit-oriented entity.

The nature of the operations and principal activities of the Group are to operate and manage all Trade Me websites including online auctions, classifieds and group buying.

2. Basis of preparation and accounting policies

The accounting policies applied to the preparation of the consolidated interim financial statements are those which are expected to be used going forward. They are consistent with the audited financial statements of Trade Me Limited for the year ended 30 June 2011, other than the new policies outlined below.

(a) Basis of preparation of financial statements

These general purpose consolidated interim financial statements for the six months ended 31 December 2011 have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Therefore, this report should be read in conjunction with the audited financial statements of Trade Me Limited for the year ended 30 June 2011, which have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

(b) Group reorganisation

On 13 December 2011 the Company acquired 100% of the Trade Me Limited share capital from Fairfax New Zealand Holdings Limited (FNZHL), via two intermediary holding companies.

The reorganisation has resulted in the new legal parent Trade Me Group Limited wholly owning Trade Me Limited, the continuing economic entity.

To reflect the substance of the reorganisation the consolidated interim financial statements have been prepared as a continuation of Trade Me Limited, as accounted for by its holding company FNZHL and adjusted for the impact of the initial public offer, using the book value method of accounting.

The book value method of accounting involves:

- from the earliest comparative period, the recognition of the book value of the business assets and liabilities, including goodwill and intangible assets as reported in the consolidated financial statements of FNZHL;
- the transfer of the opening balance of Trade Me Limited share capital to other reserves in the comparative period to reflect the legal share capital of the Company prior to the initial public offer;
- no new goodwill is recognised as a result of the combination; and
- no adjustments are made to reflect fair value.

The book values of goodwill and intangible assets reported in FNZHL's consolidated financial statements arose from FNZHL's original acquisition of Trade Me in 2006. The use of these existing book values in the Group's

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

statement of financial position, together with the new share capital and debt, resulted in a debit adjustment on consolidation of \$485.7 million which is recorded in reserves.

The consideration of \$1,235.7 million for the acquisition of Trade Me Limited was funded through:

- the gross proceeds from the initial public offer (IPO) of \$363.4 million distributed to FNZHL;
- cash of \$166.0 million drawn down under the Company's debt facility distributed to FNZHL;
- the issue of 261.4 million shares at a total value of \$705.7 million to Fairfax Digital Holdings NZ Limited, a wholly owned subsidiary of FNZHL;
- cash paid of \$0.7 million for a management share based payment plan.

The cash proceeds from the initial public offer and debt facility were not received by the Company and instead were paid directly to entities within the wider Fairfax Group. Accordingly, these transactions are not included in the statement of cash flows.

(c) Significant accounting policies

CONSOLIDATION

The consolidated interim financial statements incorporate the financial statements of all entities controlled by the Company and Group as at the reporting date.

Control exists when one entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities. Control is presumed not to exist over trusts that hold money on behalf of members and relevant service providers.

In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

INTEREST BEARING LIABILITIES

Interest bearing loans and borrowings are initially measured at fair value. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Loans and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

FINANCE COSTS

Finance costs include interest on external debt (borrowing costs) and amortisation of associated transaction costs. All borrowing costs are expensed in the period they occur.

SHARE BASED PAYMENTS

The cost of equity settled employee share plans is measured based on the fair value of the shares or options at the date on which they are granted. The cost is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense at each reporting date until vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of shares/options expected to vest. If there are no vesting conditions, the total cost is recognised at grant date.

(d) Rounding of amounts

Amounts in the interim financial statements have been rounded to the nearest thousand dollars (NZD 000s), unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

3. Contributed equity

	Unaudited Six months ended 31 December 2011 (NZD 000s)	Unaudited Six months ended 31 December 2010 (NZD 000s)
Balance at beginning of period	-	-
Ordinary shares issued during the period	1,069,051	-
Balance at end of the period	1,069,051	-

On 13 December 2011, 396.0 million Trade Me Group Limited shares were issued as a result of the IPO. This included 261.4 million shares issued to Fairfax Digital Holdings NZ Limited with an issue date fair value of \$705.7 million as part consideration for the purchase of Trade Me Limited. A further 134.6 million shares were issued to investors and employees raising \$363.4 million.

All ordinary shares carry equal rights in respect of voting and the receipt of dividends. Ordinary shares do not have a par value.

The contributed equity for the comparative period is nil which reflects the legal share capital of the Company prior to the IPO.

4. Goodwill and other intangible assets

The goodwill and intangible asset balances include \$717.0 million of goodwill and \$32.7 million of brands that arose on FNZHL's original acquisition of Trade Me Limited during 2006 (refer note 2(b)). Together with the transfer of Trade Me Limited share capital of \$0.2 million to other reserves (refer note 2(b)), the book value of goodwill and brands has resulted in an other reserves opening balance for the comparative period of \$749.9 million.

5. Interest bearing liabilities

	Unaudited As at 31 December 2011 (NZD 000s)	Audited As at 30 June 2011 (NZD 000s)
Revolving cash advance facility	(166,000)	-
Deferred funding costs	292	-
Accrued interest	(332)	-
Total interest bearing liabilities	(166,040)	-

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

	Unaudited As at 31 December 2011 (NZD 000s)	Audited As at 30 June 2011 (NZD 000s)
Current portion	(332)	-
Non-current portion	(165,708)	-
Total interest bearing liabilities	(166,040)	-

The Commonwealth Bank of Australia has provided a \$200.0 million revolving cash advance loan facility to the Company. The facility was partially drawn down on 13 December 2011 and is for a term of three years ending 13 December 2014.

The interest rate for the six months ended 31 December 2011 was 4.05% per annum.

The facility is guaranteed by the Company and its wholly owned subsidiary Trade Me Limited. The covenants entered into by the Group require specific calculations of the Group's net debt to EBITDA, and interest cover.

There have been no covenant breaches.

6. Dividend paid or authorised

	Unaudited Six months ended 31 December 2011 (NZD 000s)	Unaudited Six months ended 31 December 2010 (NZD 000s)
Fully imputed dividend on Trade Me Limited ordinary shares: \$206.44 per share	40,200	-
Total dividend	40,200	-

The Company's wholly owned subsidiary Trade Me Limited has 194,700 issued and fully paid ordinary shares on issue as at 31 December 2011 (30 June 2011: 194,730).

7. Finance income

	Unaudited Six months ended 31 December 2011 (NZD 000s)	Unaudited Six months ended 31 December 2010 (NZD 000s)
Short term bank deposits	192	740
Loans to related parties	476	2,520
Total finance income	668	3,260

8. Investment in associate

The Company holds a 25.4% interest in Autobase Limited (AutoBase), an unlisted company incorporated in New Zealand. AutoBase has a 31 March balance date and has not changed its balance date to match the Group as other shareholders of AutoBase are New Zealand shareholders with 31 March balance dates.

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

9. Earnings and net tangible assets per share

	Unaudited Six months ended 31 December 2011	Unaudited Six months ended 31 December 2010
Earnings per share		
Basic and Diluted earnings per share (NZD cents)	9.19	8.75
Basic and Diluted weighted average number of ordinary shares	395,745,510	395,745,510

The earnings used in the calculation of basic and diluted earnings per share is the net profit after tax of \$36.4 million for the six months ended 31 December 2011 and \$34.6 million for the six months ended 31 December 2010.

The legal share capital of the Group during the six months ended 31 December 2010 was nil. Because the share issue in December 2011 did not result in a change in total equity for the Group, basic and diluted earnings per share for the six months has been calculated using the shares on issue as at 31 December 2011 rather than a weighted average for both the current and comparative periods. The 254,490 restricted shares have been excluded from shares on issue for the purposes of the earnings per share calculation.

	Unaudited As at 31 December 2011	Audited As at 30 June 2011
Net tangible assets		
Net tangible assets per share (NZD cents)	(40.10)	3.04
Number of shares on issue at the end of the period	395,745,510	395,745,510

The calculation of net tangible assets per share for 31 December 2011 and the comparative period is Group total net assets less goodwill and intangible assets, divided by the number of shares on issue as at 31 December 2011.

10. Share based payment plans

The Company issued 254,490 restricted shares to management on 13 December 2011. The restricted shares have all the rights attached to ordinary shares (including the right to dividends), but may be redeemed by the Company if the qualification criteria are not met.

Reclassification of the restricted shares into ordinary shares will only occur if the following qualification criteria are met:

- the Company achieves an EBITDA of \$110.9 million during the period commencing 1 January 2012 and ending 31 December 2012; and
- the participant remains in continuous fulltime employment with Trade Me until 31 December 2013.

The Company has determined that the fair value of the restricted shares issued during the period is equivalent to the IPO issue price of \$2.70 per share.

The expense recognised in the current period was \$46,000, with a corresponding liability for PAYE of \$17,000 and an increase in equity of \$29,000.

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

11. Segment reporting

(a) Services from which reportable segments derive their revenues

Directors have determined the operating segments based on the reports reviewed by the Group's Chief Executive to assess performance, allocate resources and make strategic decisions.

The Group's reportable segments are therefore as follows:

GENERAL ITEMS

Success fees are the largest proportions of revenue for the General Items reportable segment, and are driven by both the number of completed transactions (listings sold) and the total sales value of completed transactions.

CLASSIFIEDS

Classifieds revenue is primarily from basic and premium listing fees from the three classified businesses:

- Motors;
- Property; and
- Jobs.

OTHER

Other revenue includes the Group's advertising and other businesses revenue. Other businesses include:

- Travel;
- FindSomeone; and
- Pay Now.

(b) Segment revenues and reconciliation to overall result

The following is an analysis of the Group's revenue from continuing operations by reportable segment. No reconciliation has been performed to the Statement of Comprehensive Income as the Group does not currently allocate or report expenses to the Chief Executive by operating segment. Therefore a measure of operating segment profit or loss is not disclosed below.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

Segment revenue reported below represents revenue generated from external customers. There was no inter-segment revenue in the current period (2010: Nil).

	Unaudited Six months ended 31 December 2011 (NZD 000s)	Unaudited Six months ended 31 December 2010 (NZD 000s)
General items	32,261	30,382
Classifieds	24,535	21,110
Other revenue	13,184	10,351
Total revenue	69,980	61,843

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

(c) Segment assets and liabilities

The assets and liabilities of the Group are reported to and reviewed by the Chief Executive in total and are not allocated by operating segment. Therefore, operating segment assets and liabilities are not disclosed.

(d) Other information

GEOGRAPHICAL

The Group did not derive revenue from foreign countries for the six months ended 31 December 2011 (31 December 2010: Nil).

INFORMATION ABOUT MAJOR CUSTOMERS

No single customer contributed 10% or more to the Group's revenue for the six months ended 31 December 2011 (31 December 2010: Nil).

12. Contingent liabilities

The company has no contingent liabilities as at 31 December 2011 (30 June 2011: \$nil)

13. Related party transactions

The Company is a majority owned subsidiary of Fairfax Digital Holdings NZ Limited. The ultimate New Zealand parent is FNZHL, and the ultimate parent of the Company is Fairfax Media Limited, which is a company domiciled in Australia and listed on the Australian Stock Exchange.

The following significant transactions occurred between the Group and subsidiaries of Fairfax Media Limited during the six months ended 31 December 2011:

Pre-restructure transactions

- Trade Me Limited declared and paid a dividend of \$40.2 million to FNZHL prior to the IPO of shares in Trade Me Group Limited (31 December 2010: Nil).
- Trade Me Limited provided net treasury funding of \$10.8 million to Fairfax Media Group Finance Pty Limited during the period (31 December 2010: \$34.8 million).
- Trade Me Limited repaid \$9.3 million owing to Fairfax New Zealand Limited for the utilisation of tax losses for the 2010 tax year. Trade Me Limited paid Fairfax New Zealand Limited and Fairfax New Zealand Holdings Limited a combined total of \$9.4 million for utilisation of tax losses for the 2011 tax year.

Restructure transactions

- The Company acquired Trade Me Limited from FNZHL via two intermediary holding companies for total consideration of \$1,235.7 million. Consideration of \$420.4 million was paid to Fairfax Digital Assets NZ Limited, and consideration of \$815.3 million was provided to Fairfax Digital Holdings NZ Limited comprising \$109.6 million cash and 261.4 million shares at \$2.70 per share.

All IPO costs were borne by Fairfax Media Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

Significant balances owing from/(due to) related parties at period end are as follows:

	Unaudited As at 31 December 2011 (NZD 000s)	Audited As at 30 June 2011 (NZD 000s)
Fairfax Media Group Finance Pty Limited	-	39,156
Fairfax New Zealand Limited	(74)	(9,309)

14. Subsequent events

There are no events occurring after 31 December 2011 that materially affect the information in these financial statements.

15. Trade and other receivables

	Unaudited As at 31 December 2011 (NZD 000s)	Audited As at 30 June 2011 (NZD 000s)
Trade and other receivables	3,837	4,153
Related party receivables	-	39,156
	3,837	43,309

16. Trade and other payables

	Unaudited As at 31 December 2011 (NZD 000s)	Audited As at 30 June 2011 (NZD 000s)
Trade and other payables	(5,989)	(6,012)
Related party payables	(74)	(9,309)
Prepaid Member accounts	-	(10,236)
	(6,063)	(25,557)

From 1 November 2011 Trade Me Limited changed its terms and conditions to state that all member funds are now held on bare trust on behalf of members. The funds were separated from Trade Me Limited's working capital and are now held in a separate bank account. Because the funds are now held on trust, the cash is no longer considered an asset to Trade Me Limited and so the cash and related prepaid member liability have been removed from Trade Me Limited's statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 DECEMBER 2011

17. Comparison against prospectus forecast

Statement of comprehensive income

EBITDA for the period was broadly in line with expectations, finishing at \$1.0 million ahead of the prospectus forecast.

Revenue was slightly above forecast by \$0.4 million, with varying results by business line but notable strength in the classified businesses, particularly in Trade Me Motors with yield uplift from price changes in November and Trade Me Property with increased user uptake of premium products.

Expenses were slightly below forecast by \$0.6 million, primarily due to slower than anticipated hiring of staff and realised cost savings in marketing spend.

	Actual Six months ended 31 December 2011 (NZD 000s)	Forecast Six months ended 31 December 2011 (NZD 000s)
General items	32,261	32,189
Classifieds	24,535	24,017
Other	13,184	13,377
Total revenue	69,980	69,583
Employee benefit expense	(7,596)	(8,296)
Web infrastructure expense	(1,451)	(1,398)
Promotion expense	(2,768)	(3,257)
Other expenses	(6,456)	(5,954)
Total expenses	(18,271)	(18,905)
Share of profit from associates	291	296
Earnings before interest, tax, depreciation and amortisation	52,000	50,974
Depreciation and amortisation	(2,280)	(2,370)
Earnings before interest and tax	49,720	48,604

REVIEW REPORT



Chartered Accountants

Review Report to the Shareholders of Trade Me Group Limited (the company) and its subsidiary (the group)

We have reviewed the interim financial statements on pages 8 to 20. The interim financial statements provide information about the past financial performance of the group and its financial position as at 31 December 2011. This information is stated in accordance with the accounting policies set out in Trade Me Limited's annual financial statements dated 6 September 2011 as amended by the additional policies reported in the interim financial statements.

This report is made solely to the company's shareholders, as a body, in accordance with our engagement letter. Our review has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our review work, for this report, or for our findings.

Directors' Responsibilities

The directors are responsible for the preparation of interim financial statements which comply with generally accepted accounting practice in New Zealand as it relates to interim financial statements and which present fairly the financial position of the group as at 31 December 2011 and the results of its operations and cash flows for the six month period ended on that date.

Reviewer's Responsibilities

We are responsible for reviewing the interim financial statements presented by the directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the interim financial statements do not present fairly the matters to which they relate.

Basis of Statement

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

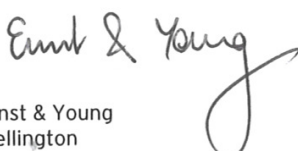
We have reviewed the interim financial statements of the group for the six month period ended 31 December 2011 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand. These standards require that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement whether caused by fraud or error. We also evaluated the overall adequacy of the presentation of information in the interim financial statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the company or its subsidiary.

Statement of Review Findings

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial statements, set out on pages 8 to 20, do not fairly present the financial position of the group as at 31 December 2011 and its financial performance and cash flows for the six month period ended on that date in accordance with generally accepted accounting practice in New Zealand as it relates to interim financial statements.

Our review was completed on 21 February 2012 and our findings are expressed as at that date.


Ernst & Young
Wellington

DIRECTORY: TRADE ME GROUP LIMITED

Registered office

Trade Me Group Limited
Level 3, NZX Centre
11 Cable Street
Wellington

Board of directors

David Kirk	Chairman
Gail Hambly	Non-Executive Director
Greg Hywood	Non-Executive Director
Sam Morgan	Non-Executive Director
Joanna Perry	Non-Executive Director

Executive team

Jon Macdonald	Chief Executive Officer
Vince Betham	Acting Chief Financial Officer
Mike DelPrete	Strategy Manager
Fiona Ireland	Head of Human Resources
Craig Jordan	Head of Marketplace
Jimmy McGee	Head of Commercial
Mike O'Donnell	Head of Operations
Dave Wasley	Head of Technology

Investor information

The Trade Me investor relations website is at:
<http://investors.trademe.co.nz/>

Share registrar

If you have a shareholder-related query, please contact our share registrar, Link Market Services Limited:

New Zealand

Phone (09) 375 5998
Email Lmsenquiries@linkmarketservices.com
Address PO Box 91976, Auckland

Australia

Phone 1300 554 474
Email registrars@linkmarketservices.com.au
Address Locked Bag A14, Sydney South, NSW

Auditor

Ernst & Young
100 Willis Street
Wellington
New Zealand

22 February 2012

Company Announcements Office
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA



Dear Sir/Madam

LISTING RULE 4.2a.2 – Details of Directors and Directors’ Declarations in respect of the half year financial statements and notes

This announcement is made pursuant to ASX Listing Rule 4.2a and relates to and should be read in conjunction with the announcement of the company’s result for the six months to 31 December 2011 dated 21 February 2012.

The directors of Trade Me Group Limited (incorporated on 13 October 2011), at any time during or since the end of the half year ended 31 December 2011, were:

Mr David Kirk	Chairman (appointed 13 October 2011)
Ms Gail Hambly	Director (appointed 13 October 2011)
Mr Greg Hywood	Director (appointed 18 October 2011)
Mr Sam Morgan	Director (appointed 13 October 2011)
Ms Joanna Perry	Director (appointed 13 October 2011)

Attached is a declaration on behalf of the directors in respect of the half-year financial statements and notes.

Yours faithfully



Linda Cox
Company Secretary for Trade Me Group Limited

TRADE ME GROUP LIMITED

("the Company")

Directors' declaration in respect of Group Financial Statements for the half year ended 31 December 2011

Introduction

It is a requirement of the Australian Stock Exchange Listing Rules that a declaration be given by the directors of the Company in respect of the financial statements for the Company and its subsidiaries (Trade Me) for the half year ended 31 December 2011. This declaration must be filed with the Australian Stock Exchange.

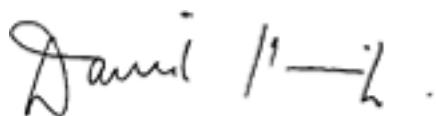
Declaration

The directors of the Company hereby declare that:

- a. the Trade Me financial statements dated 31 December 2011 and the notes to those financial statements comply with New Zealand International Financial Reporting Standards;
- b. the Trade Me financial statements dated 31 December 2011 and the notes to those financial statements give a true and fair view of the financial position and performance of the Company;
- c. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the directors dated 21 February 2012 and is signed for and on behalf of the board of directors by the board Chairman.

Signed

A handwritten signature in black ink, appearing to read "David Kirk".

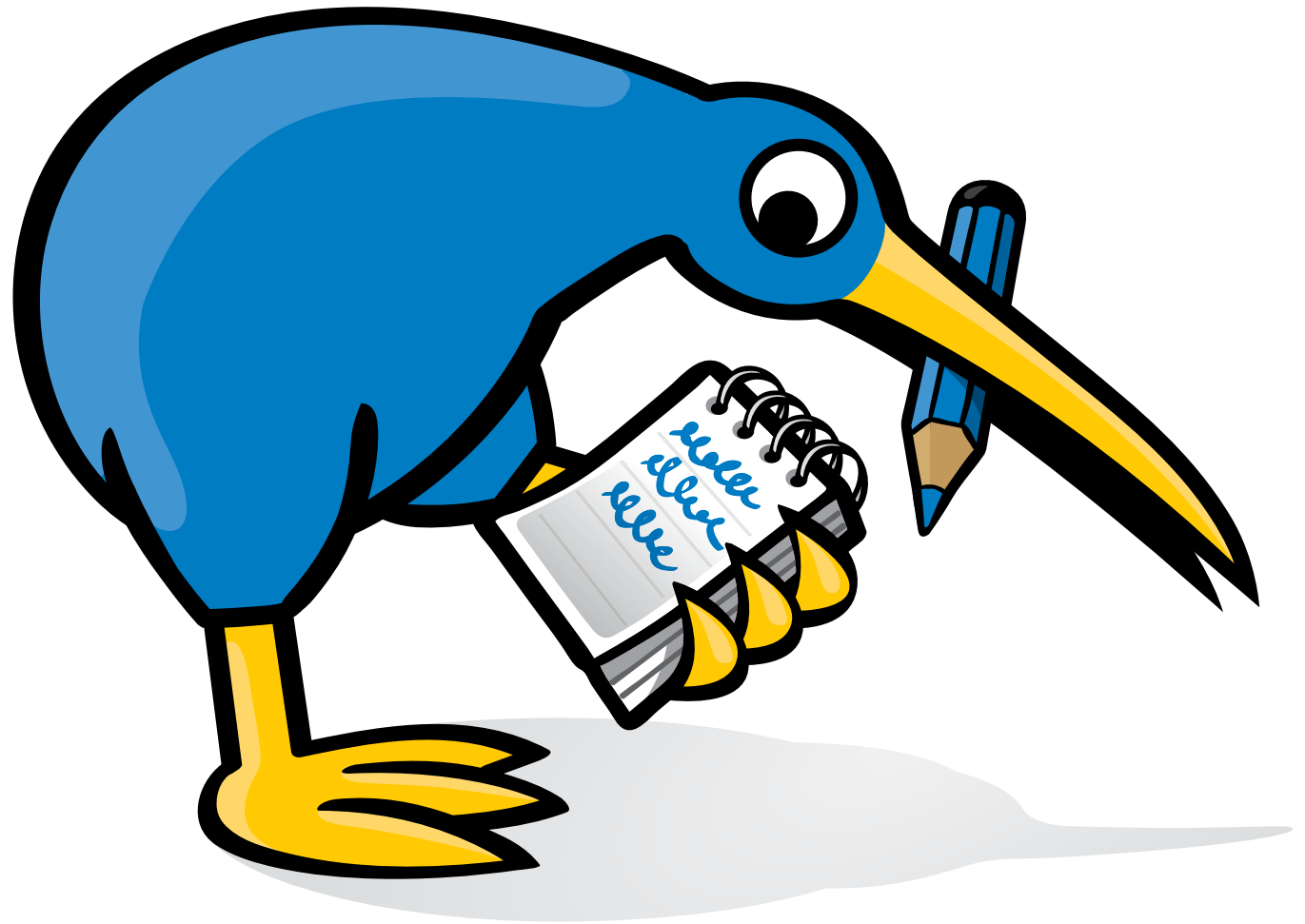
David Kirk

Chairman

21 February 2012

Trade Me Half Year Results

For the six months ended
31 December 2011



Jon Macdonald CEO
Vince Betham Acting CFO

Disclaimer

This presentation may contain projections or forward looking statements regarding a variety of items. These forward-looking statements are based upon current expectations and involve risks and uncertainties.

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

Although management may indicate and believe the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect. There can be no assurance that the results contemplated in the forward-looking statements will be realised.

While all reasonable care has been taken in compiling this presentation, Trade Me accepts no responsibility for any errors or omissions.

This presentation does not constitute investment advice.

Presentation Agenda

- Overview Jon Macdonald
- Divisional performance Jon Macdonald
- Financials Vince Betham
- Trading and Outlook Jon Macdonald
- Questions Jon Macdonald and Vince Betham

Overall Results: Highlights

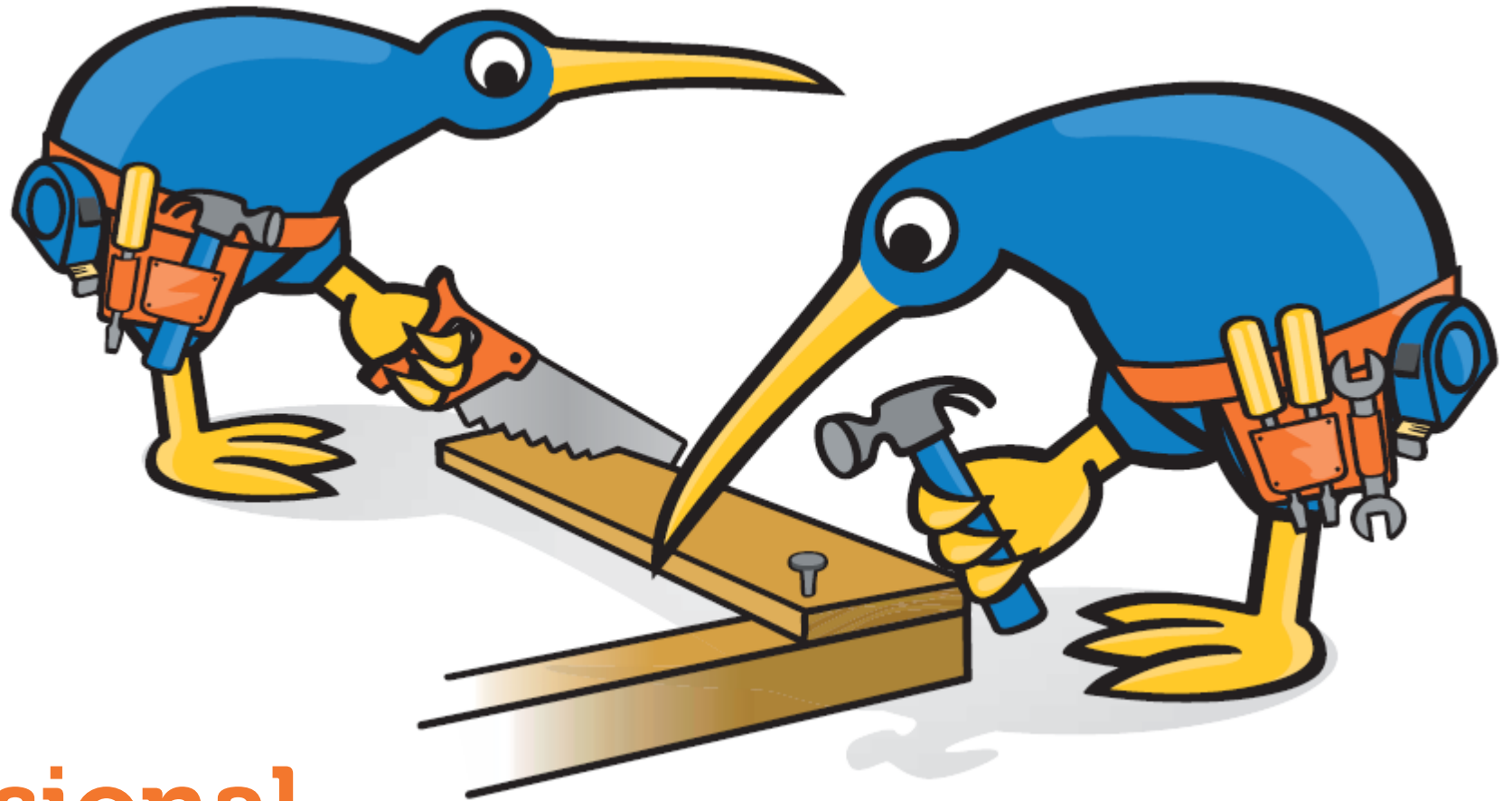
- Achieved FY12 H1 targets set out in IPO prospectus.
- EBITDA of \$52.0m (a record for us), up 9% on prior year, and up 2% on prospectus forecast. NPAT of \$36.4m.
- Revenue up 13.2% on prior year and slightly ahead of expectations. Expenses slightly below expectations.
- A successful IPO and good market support - now we're focussed on growth and executing on the opportunities in front of us.
- Good progress in extending our businesses onto mobile, and laying the groundwork for expansion in new goods.
- Earnings and dividend guidance remains unchanged from the prospectus.

Overall Results: Financial Performance

NZ \$000s	H1 FY12	Var to Forecast		Var to Prior Year	
		\$	%	\$	%
Revenue	69,980	397	0.6%	8,137	13.2%
Expenses	(18,271)	634	3.4%	(3,743)	(25.8%)
EBITDA	52,000	1,026	2.0%	4,333	9.1%
<i>EBITDA margin %</i>	<i>74.3%</i>		<i>1.1%</i>		<i>(2.8%)</i>
EBIT	49,720	1,116	2.3%	3,530	7.6%
<i>EBIT margin %</i>	<i>71.0%</i>		<i>1.2%</i>		<i>(3.6%)</i>
NPAT	36,365			1,750	5.1%
EPS	9.19				

Notes:

1. All figures are from statutory financials. Continuing the pro forma basis used in the prospectus, EBITDA is \$51.3m (up 0.7% on forecast and up 10.2% YoY).
2. No NPAT forecast included in prospectus. NPAT at lower YoY growth primarily due to Trade Me's change in capital structure (less interest income in H1 FY12, and some interest expense since IPO).



Divisional Performance

Revenue

NZ \$000s	H1 FY12	Var to Forecast		Var to Prior Year	
		\$	%	\$	%
Revenue					
General Items	32,261	72	0.2%	1,879	6.2%
Classified	24,535	518	2.2%	3,425	16.2%
Other	13,184	(193)	(1.4%)	2,833	27.4%
Total	69,980	397	0.6%	8,137	13.2%

- **General items:** Volumes and yield tracked to expectations. New goods growth was consistent, whereas used goods sales were largely flat.
- **Classifieds:** Performed well – Motors and Property were ahead of forecast, and Jobs was slightly behind (but still up 41% YoY).
- **Other:** Display advertising was down on expectations with the distraction of Rugby World Cup, and a weak retail environment. Treat Me is growing well, but is in a highly competitive, consolidating industry. Travel and FindSomeone both comfortably exceeded expectations.

General Items: Business Update

- Revenue \$32.3m - up 0.2% on prospectus forecast and up 6.2% YoY.
- 8.4% yield, up from 8.2% in FY11.
- Sales volumes healthy (some softness around Rugby World Cup as a competing entertainment option), but pressure on average sale price, especially in new goods.
- Strong growth in mobile phones, business farming and industry, and health and beauty – items sold all up 10%+ YoY. Weakness in books and music (CDs) – items sold down 5% YoY.
- Pay Now on consistent growth curve – revenue up 25% YoY over H1. And over 17% of all sales settled using Pay Now in December (another record).

H1 YoY growth	Forecast	Actual
Items sold	1.8%	4.6%
GMS *	2.5%	3.1%
Revenue	5.9%	6.2%

Q2 YoY growth	Forecast	Actual
Items sold		7.1%
GMS *		4.8%
Revenue		10.0%

* GMS = Gross Merchandise Sales

General Items: New Goods

- Sustained growth through 2011. Over 500,000 new items sold in November for the first time (and again in December).
- But we're still just laying the groundwork:
 - API completed in July to allow full sales integration
 - Strong business development team growth during the half and continuing
 - Pipeline of product changes to make Trade Me a better place to buy new goods
- Retail support ecosystem also growing – eg launch of Tradevine as integrator (provides an online back office system with seamless integration to Trade Me).
- Partnerships to facilitate new goods sales progressing well – signed one agreement and three more in negotiation. Aims to accelerate and scale retailer acquisition and activity.

General Items: Mobile Update

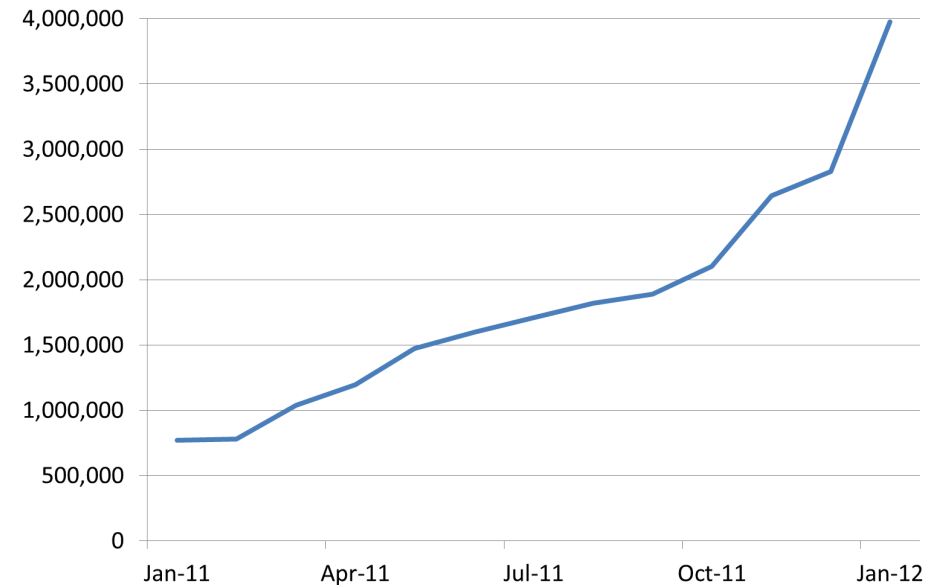
- Continued strong growth in iPhone activity:

- 300,000+ downloads to date
- January 2012 activity:
 - 4 million sessions
 - 150,000 unique users
 - 1,000+ items listed per day
 - \$2.1m of GMS (3% of total GMS)

- Release of Android app – Feb 2012
(averaging 1,000+ downloads per day since launch)

- Trade Me touch site launch Mar 2012, to fill gap between apps, existing mobile site and main website

iPhone sessions per month



Classifieds: Motors

- Revenue growth of 2% YoY – due to flat volumes, partially offset by late yield increase from November price changes.
- No change to competitive environment – still strong #1 in audience and inventory.
- Emissions law changes came into effect on 1 January 2012, but we haven't seen any significant impact in volumes (either positive or negative) yet
- Changes to premium fees in late November brought a 41% YoY lift in directs premium revenue
- Price changes in Marine implemented in Feb 2012 to tier pricing based on value of the item – a fairer approach with yield upside

Classifieds: Property

- Revenue growth of 23% YoY, primarily due to price changes and an increased uptake of premium products. For sale and rental volumes both largely flat.
- No change to competitive environment – still strong #1 in audience, and growing gap (in our favour) in listings.
- Premium promotional uptake strong. Agent premium revenue up 120% YoY and directs premium revenue up 23% YoY. Super-feature (a prominent new feature product) uptake in For Sale remains strong.
- Continued improvement and rollout of premium products – eg taking the Super-feature product to Rentals.
- Market continues to be patchy, with no sustained volume increase to date.
- Trialling reverse publishing – private advertisers can opt for their advertisements to appear in print.

Classifieds: Jobs

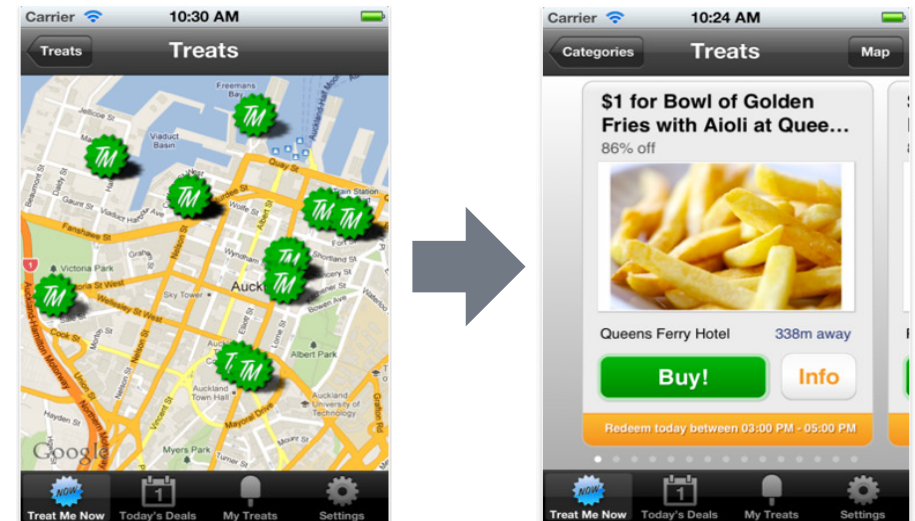
- Revenue growth of 41% YoY, primarily due to good YoY volume growth and yield improvements across the board.
- Volumes very strong at start (up 28% YoY in Q1), but then softened (up 20% in Q2). Holding up OK so far in H2 (up 21% in January 2012).
- Successful Bounty Hunter promotion.
- Consistently beating Seek on domestic traffic (4 months in a row).

Other: Advertising

- Tough H1 against our expectations – material impact from the distraction of the Rugby World Cup and soft retail environment.
- Good re-sign of all business partners (long term direct advertisers).
- Behavioural targeting product implemented – allows accurate targeting to attractive audiences – eg. parenting, premium, baby boomers.
- AdSense rollout between May and October 2011 successful – annualised revenue now circa \$2 million
- Implementation of private exchange expected in March 2012.
- Mobile opportunity untapped – to date we've focussed on product roll-out and stimulating user-uptake.

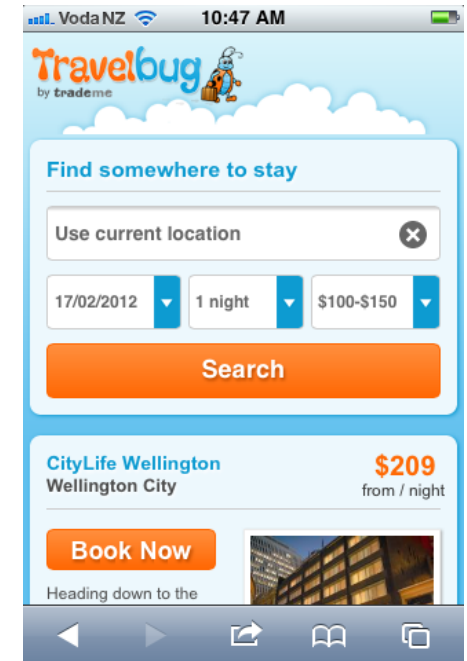
Other: Treat Me

- Launched in March 2011, now represented in 9 regions around NZ.
- Number 2 in the market, and still growing.
- Good leverage off Trade Me's consumer base, and tie-ups with retail and Travel offers.
- Treat Me Now launched in 2012
 - First to market release in Australasia
 - Uses location-aware smartphones to put local offers to consumers
 - Allows merchants to put up deals instantly, reacting to customer volumes
 - Self-service model improves margins



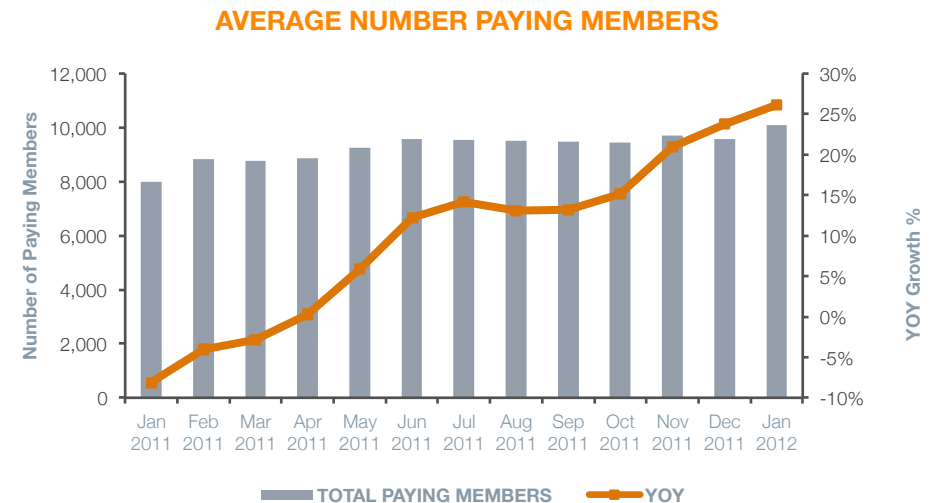
Other: Travel

- Travelbug H1 revenue up 55% YoY
 - Beneficiary of Rugby World Cup activity, and booking volumes helped by success of “Secret sale” product and cooperation with Treat Me
 - International competition from Expedia, booking.com ramping up, however our domestic focus is holding up well
 - Mobile touch-site released in Feb 2012
- BookIt H1 revenue up 2% YoY
 - Tough market for accommodation & activity operators, shown in self-retail numbers
 - Mobile version of site for operators to update inventory to be released in March
- Holiday Houses revenue up 44% YoY
 - At peak, inventory pushed through 8,000 listings milestone (Dec 2011)
 - Holiday Houses preparing new premium feature product



Other: FindSomeone

- Responding well to reinvigoration programme and on good growth trajectory.
 - H1 revenue up 19% YoY
 - Focus on driving activity working well: fixing things, new functionality
 - Paying members up 27% YoY in Jan
- Mobile touch-site rolled out Sept 2011
 - Uses location awareness on smartphones
 - More than 8% of unique visitors come via the mobile site
- Refresh of user interface planned in H2, with a focus on personalisation



Expenses

NZ \$000s	H1 FY12	Var to Forecast		Var to Prior Year	
		\$	%	\$	%
Expenses					
Employee benefit expense	(7,596)	700	8.4%	(1,225)	(19.2%)
Web infrastructure expense	(1,451)	(53)	(3.8%)	(563)	(63.4%)
Promotion expense	(2,768)	489	15.0%	(789)	(39.9%)
Other expenses	(6,456)	(502)	(8.4%)	(1,166)	(22.0%)
Total	(18,271)	634	3.4%	(3,743)	(25.8%)

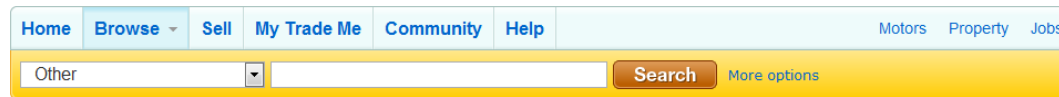
- **People costs:** Headcount growth slightly below expectations (we've largely caught up):
 - Treat Me staff up to 28 (primarily sales, then support and technology).
 - Technology staff up to 53 from 41 last year (strongest growth in mobile).
 - Total number of staff up 18 across the remainder of the business (YoY).
- **Promotional costs**
 - Includes \$2.9m in top seller rebates and Jobs/Ads commissions.
 - Held back spend in areas where we haven't been able to measure good return.
- **Web infrastructure costs:** Subscription costs slightly higher than expected.

Senior hires

- Jonathan Klouwens – CFO, to start in March 2012. Currently CFO at House of Travel, and prior to that NZ Finance Director and NZ Strategy Director at Lion Nathan.
- Mike DelPrete – Strategy Manager, started January 2012. Previously founder and CEO of Agora Games (profitable business with 40 staff), which he sold to Major League Gaming.
- Ruth Brown – Head of User Experience, to start in February 2012. Previously 5 years at Optimal Usability, most recently as Practice Manager, and prior to that at Contact Energy and Unisys.



Continued community engagement



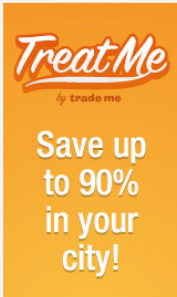
Buying

Watchlist
Items I won
Items I lost
My favourites
Recently viewed

Selling

List an item
Items I'm selling
Sold items
Unsold items

Advertisement



Home > Art > Tattoos > Other

YOUR Tattoo on my Bum!!

Support the cause! 20% to Charity

Winning bid: \$12,450.00

Reserve met

Closed: Fri 20 Jan 2012, 5:00 pm

Listing #: 439094192

Hello :)

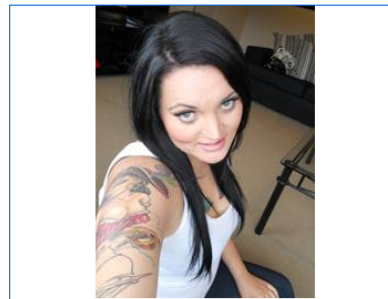
You might think I am crazy for doing this! But yes, the winner of the auction gets ANYTHING they like tattooed on my bum!

For those who do not know, tattoos are forever, so whatever goes on STAYS on!

Below a few ideas on WHY you would want to pay for a tattoo to go on someones else's behind

- * Marriage proposal
- * Business promotion
- * Boredom
- * Artist wanting to share design
- * Awesomeness

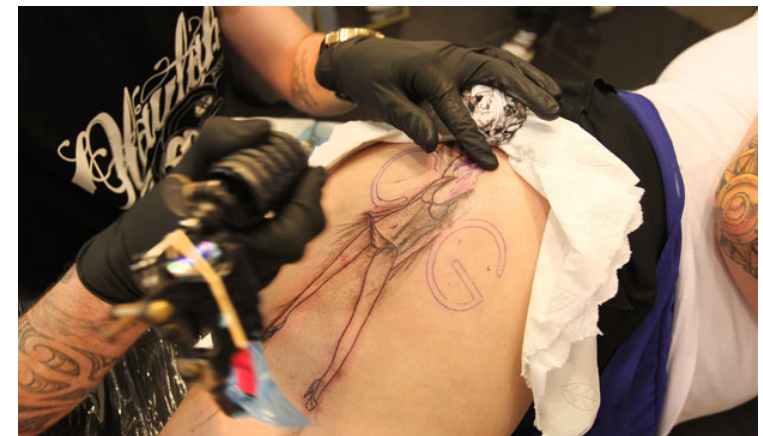
lol OMG I'm a tad nervous



[View full size photos](#)

Jan 2012: "YOUR Tattoo on my bum" auction reaches 355,000 page views and becomes our 3rd most popular auction of all time.

250+ news articles, as far afield as the UK, Pakistan and Nigeria.



Also in Jan 2012: charity auctions to meet Peter Jackson and Neil Finn (#8th most popular of all time with 258,000 views).

In Feb 2012: Some free PR from Labour MP Trevor Mallard.

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%
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Promotion expense	(2,768)	489	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)	(1.4%)	(61)	(17.3%)
EBITDA	52,000	1,026	2.0%	4,333	9.1%
Depreciation and Amortisation	(2,280)	90	3.8%	(803)	(54.4%)
EBIT	49,720	1,116	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%
EPS	9.19				

Notes:

1. All figures are from statutory financials. Continuing the pro forma basis used in the prospectus, EBITDA is \$51.3m (up 0.7% on forecast and up 10.2% YoY).
2. No NPAT forecast included in prospectus. NPAT at lower YoY growth primarily due to Trade Me's change in capital structure (less interest income in H1 FY12, and some interest expense since IPO).

Financials: Cash Flow

- Operating cash flow includes one-off outflow for \$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)	-
Other cash flows	(300)	-
Net Cash Movement	3,693	1,764
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	As at 31 Dec 2011	As at 30 June 2011
Cash	9,705	6,012
Trade and other receivables	3,837	43,309
Property, plant & equipment	3,381	4,081
Intangibles	757,856	757,536
Other assets	1,188	735
Total assets	775,967	811,673
Trade and other payables	6,063	25,557
Long term debt	165,708	0
Other liabilities	5,015	16,558
Total liabilities	176,786	42,115
Net assets	599,181	769,558

Outlook



Outlook: Market Conditions

- Via our businesses we collect numbers on key areas of business/consumer sentiment e.g. jobs, rentals, property for sale, general retail.
- NZ economy recovery still hesitant, with continued uncertainty in Europe and the Christchurch rebuild postponed.
- Retail more generally still in doldrums (impacts both general items and display advertising).
- Classifieds industries each stable, but without any consistent indicators of acceleration in growth
- Adoption of mobile, and consumer appetite for online retail exceeding expectations.

Outlook: Priorities

Continuation of the plans laid out in the IPO -

- Take full advantage of industry growth, as:
 - Consumer online adoption (in particular online retail) continues to grow
 - Advances in mobile and tablet devices increase time online, and
 - Businesses further migrate their advertising spend online.
- Extend existing businesses, through extensions of our categories and product sets, with a particular focus on:
 - New goods in our general items business
 - Our Travel and Dating businesses
 - Treat Me as an option in a young and growing industry
- Leverage our strong position online in NZ to identify and execute on new opportunities.

Outlook: Financial performance

- Revenue expected to remain stable and in line with prospectus forecasts. Strength and yield options in classifieds may substitute uncertain display advertising revenues.
- Costs expected to remain in line with forecast, but may be some transfer from promotions to people, as we're getting better results from investing in product development and account management.
- Earnings and dividend guidance remains unchanged from the prospectus:
 - FY12 H2 EBITDA: \$54.5 million
 - FY13 H1 EBITDA: \$56.3 million

Questions?

