

# RP Data HY09 Results Presentation

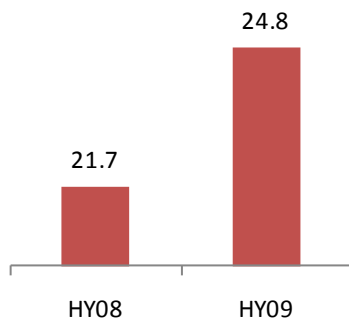


# HY09 Highlights

## Strong Revenue Growth

- HY revenue up 14% to \$24.8m
- Growth in transaction and subscription services

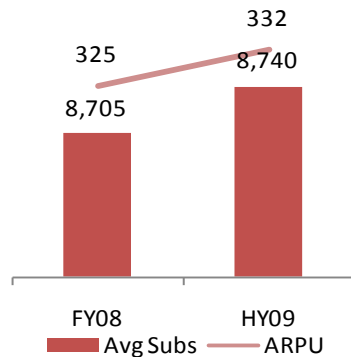
Revenue (\$m)



## Strong Subscriber and ARPU Growth

- Avg. monthly subscribers up 0.4% to 8,740
- Avg. monthly spend up 2% to \$332

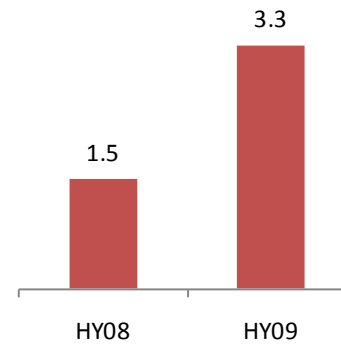
Avg. Subs / ARPU



## Further Expansion of Valuation Services

- VRS revenue up 123% to \$3.3m
- Established Risk solutions group

VRS Revenue (\$m)



## Other Highlights

- Resilience to major downturn
- 5 Major product enhancements and new
- Repackage solutions for new segments
- Operating cost reductions

# Financial Performance

- Revenue Growth from Information Services and Valuation and Risk Solutions
- EBITDA margin negatively impacted by
  - Increased payments to valuers
  - Overheads ahead of revenue
  - Technology migration
- NPAT impacted by increased Interest and Depreciation and Amortisation expenses due to acquisition funding and technology investments
- EBITDA margin is expected to recover during the second half

<i>\$m</i>	FY07	FY08	HY08	HY09
<b>Revenue</b>	<b>31.8</b>	<b>46.4</b>	<b>21.7</b>	<b>24.8</b>
<i>Growth %</i>	19%	46%	49%	(14%)
<b>EBITDA</b>	<b>16.4</b>	<b>20.6</b>	<b>9.6</b>	<b>8.8<sup>1</sup></b>
<i>Growth %</i>	30%	25%	30%	(8%)
<b>EBIT</b>	<b>12.5</b>	<b>15.4</b>	<b>7.2</b>	<b>5.3</b>
<i>Growth %</i>	35%	23%	-%	(27%)
<b>NPAT</b>	<b>8.1</b>	<b>14.9</b>	<b>4.8</b>	<b>3.2</b>
<i>Growth %</i>	125%	83%		(33%)
EBITDA margin %	52%	44%	44%	36%
EBIT margin %	39%	33%	33%	21%

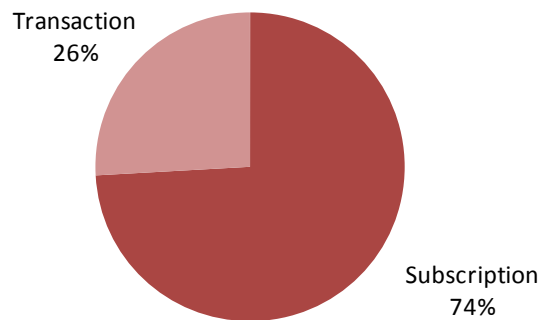
1. Post one off expense of \$0.6m and write back of \$1.3m

Source: RP Data

# Segment Overview

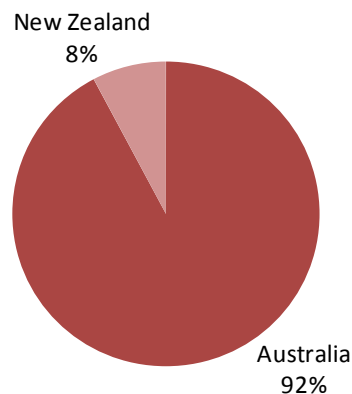
	Property Information Services	Business Services	Valuation Services
<b>Subscription Services</b>	<ul style="list-style-type: none"> <li>Property Data, Cityscope</li> <li>On The Market</li> </ul>	<ul style="list-style-type: none"> <li>Real estate software</li> </ul>	<ul style="list-style-type: none"> <li>Property Indices</li> <li>Portfolio valuations</li> </ul>
<b>Transaction-Based Services</b>	<ul style="list-style-type: none"> <li>Consumer Reports</li> <li>Information brokerage</li> </ul>	<ul style="list-style-type: none"> <li>Software training</li> <li>CPD training</li> </ul>	<ul style="list-style-type: none"> <li>AVMs</li> <li>Desktop Valuations (EVRs)</li> <li>Custom Data solutions</li> </ul>
<b>HY09 Revenue (\$m)</b>	\$20.0m up 6.4%	\$1.4m down 4.0%	\$3.3m up 122.8%

HY09 Revenue by Model



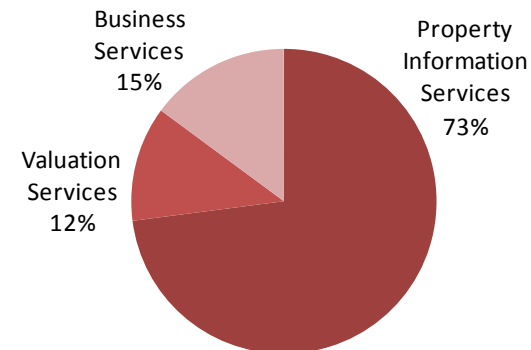
Revenue model split in line with FY08

HY09 Revenue by Geography



New Zealand UP from 6% in FY08

HY09 Revenue by Product Type

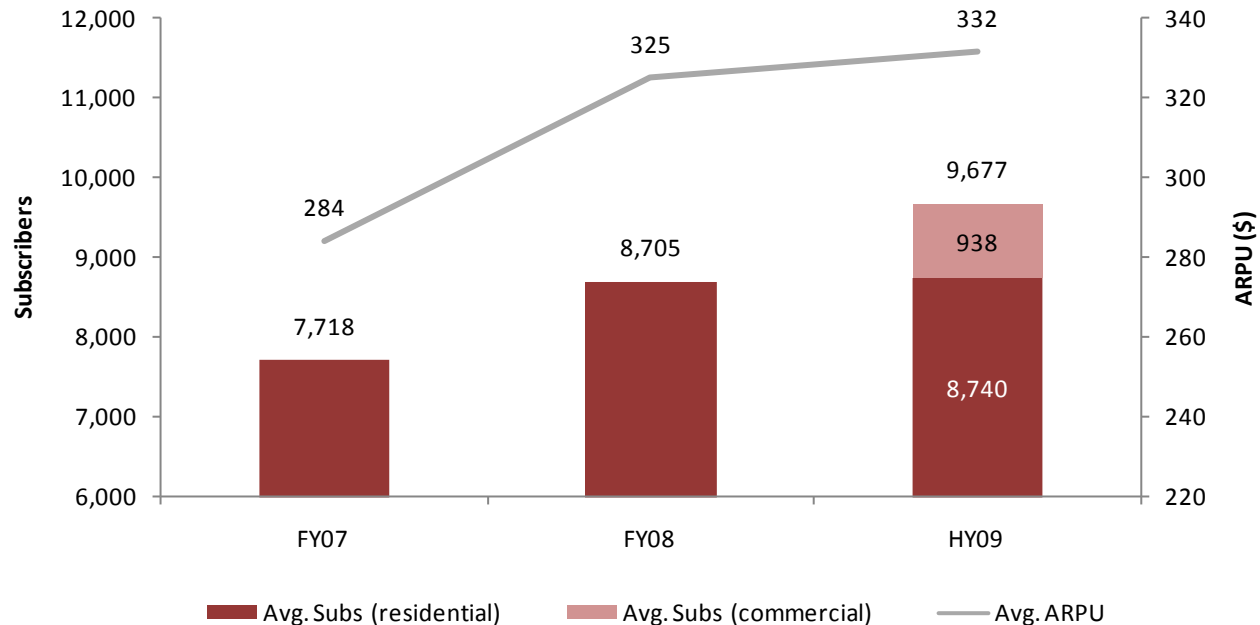


Valuation Services UP from 10% FY08

# Subscribers / ARPU

## Continued growth in average subscribers and ARPU

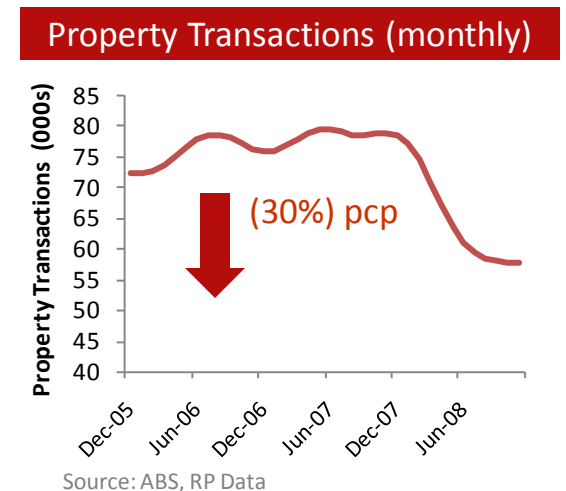
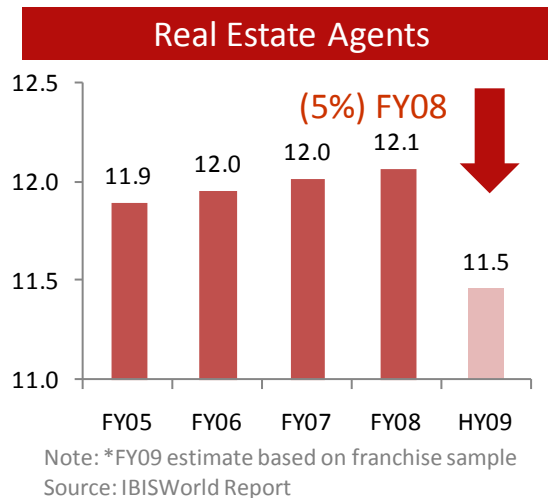
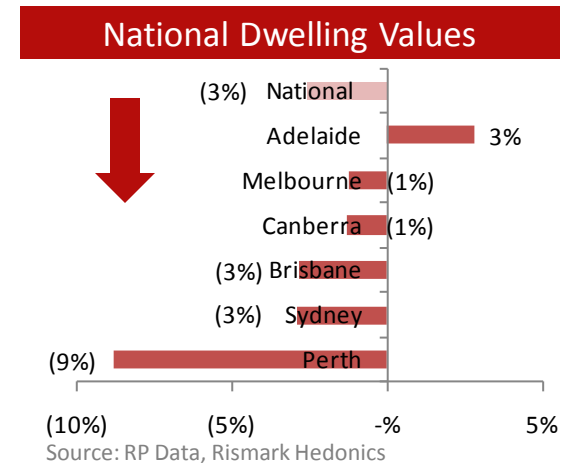
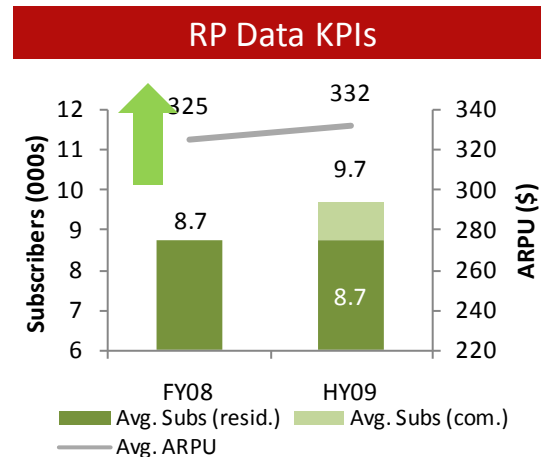
- Subscriber growth (excl. Commercial) of 0.4% from FY08
- ARPU growth of 2% from FY08



# Relative Performance

RP Data has displayed resilience, achieving subscriber, ARPU and revenue growth despite the challenging property market conditions

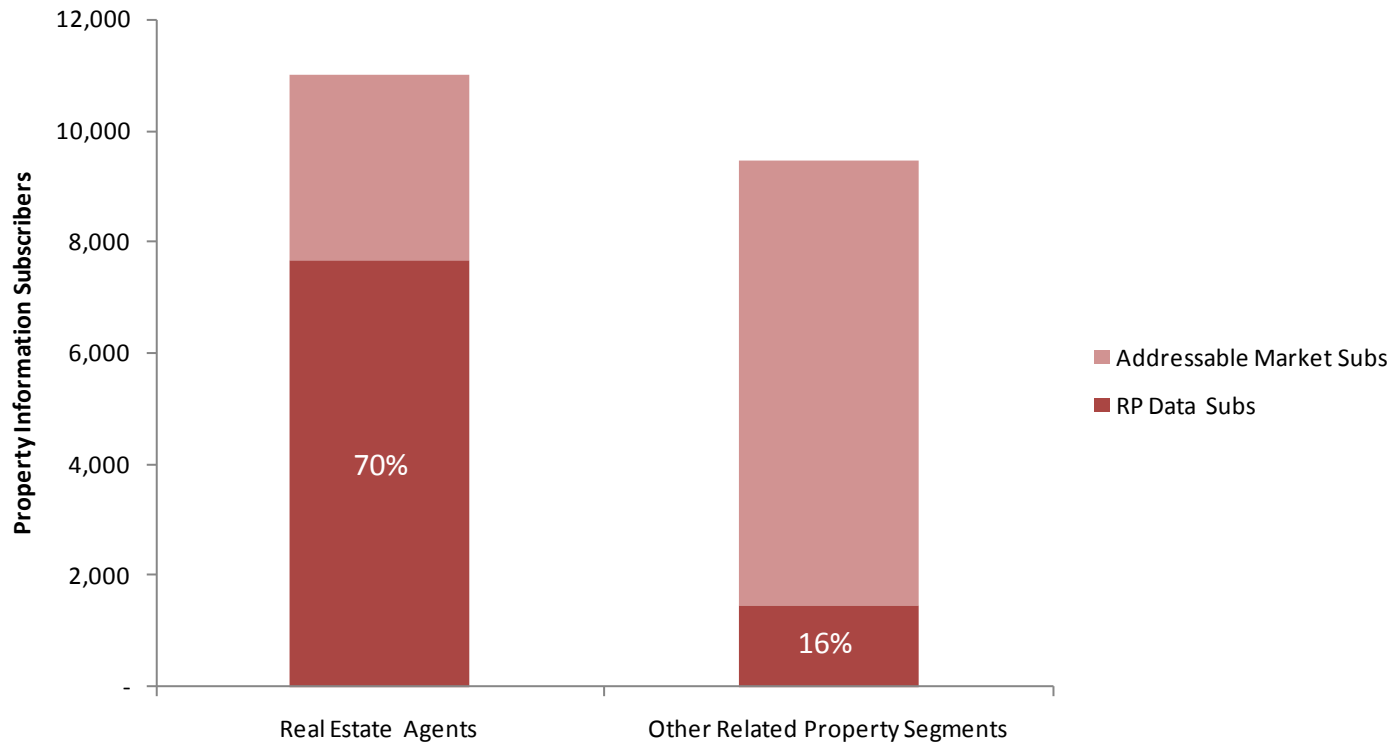
- The deterioration of Australia's property market over CY08 has seen the closure of a number of agents and mortgage brokers
- Key RP Data KPIs
  - ARPU
  - Average Subscribers
  - Listings/sales ratio
  - Applications/loans



# Opportunities

## Subscription Services

RP Data's core property information service is still under penetrated across subscriber categories



\* Other category includes developers, valuers, mortgage finance brokers, institutions, and government

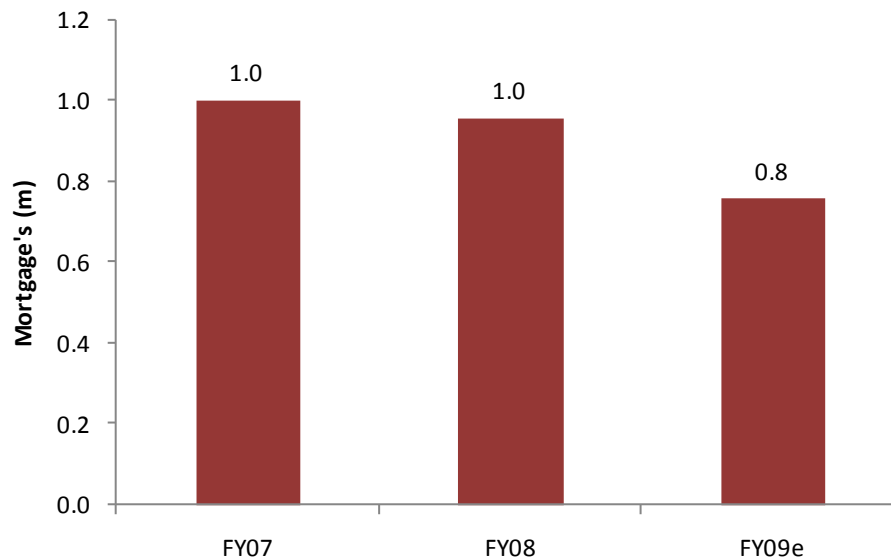
Source: IBISWorld, Sensis, RP Data estimates

# Opportunities

## Valuation Services

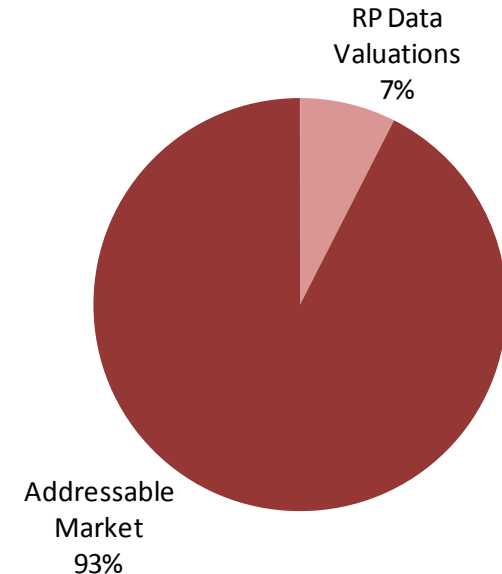
- RP Data currently generates 60,000 valuation reports for mortgage finance market p.a. equating to only c. 7% of the addressable market
  - Major banks have an estimated market share of 90% of the mortgage market, up from c.65% previously
  - Despite the decline in mortgage approvals, significant opportunity still exists as market is nascent
- Cross - selling opportunities exist for lenders using RP Data's valuation services (e.g. risk mitigation tools)

Annual Mortgage Approvals



Note: Includes mortgage originations and refinancing

Valuations Market Share

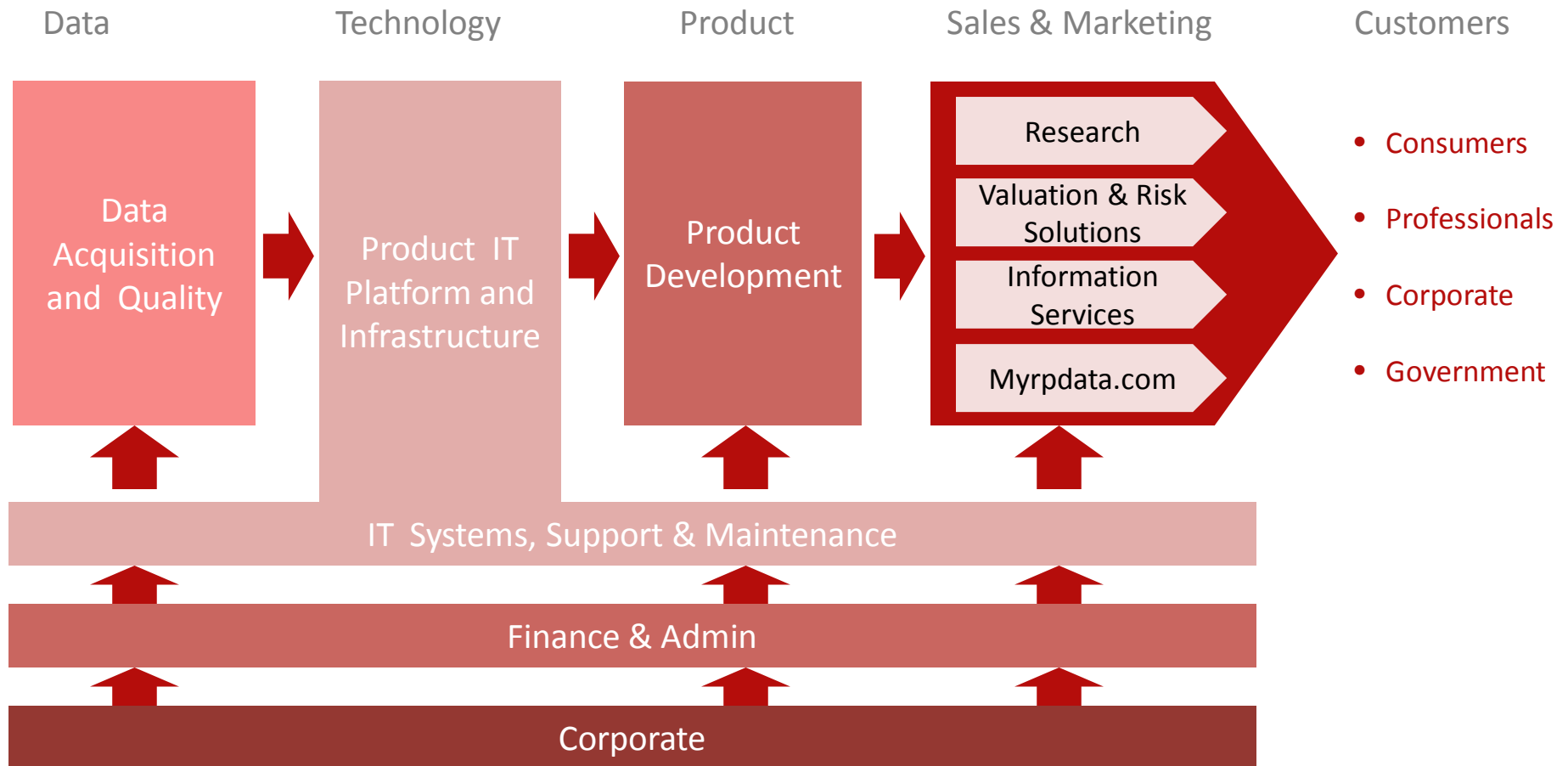




# Organisation Restructure

- Clear go to market divisions focused on customer engagement
- Integrated Product Management team
- Integrated Data acquisition teams
- Pooled Technology teams
- Benefits
  - Deeper focussed customer engagement
  - Divisions have core focus and Increased accountability
  - Increased capability and expandability of existing team
  - Scalable model for growth

# 'Go to Market' Model



# Summary

## Core focus remains the same

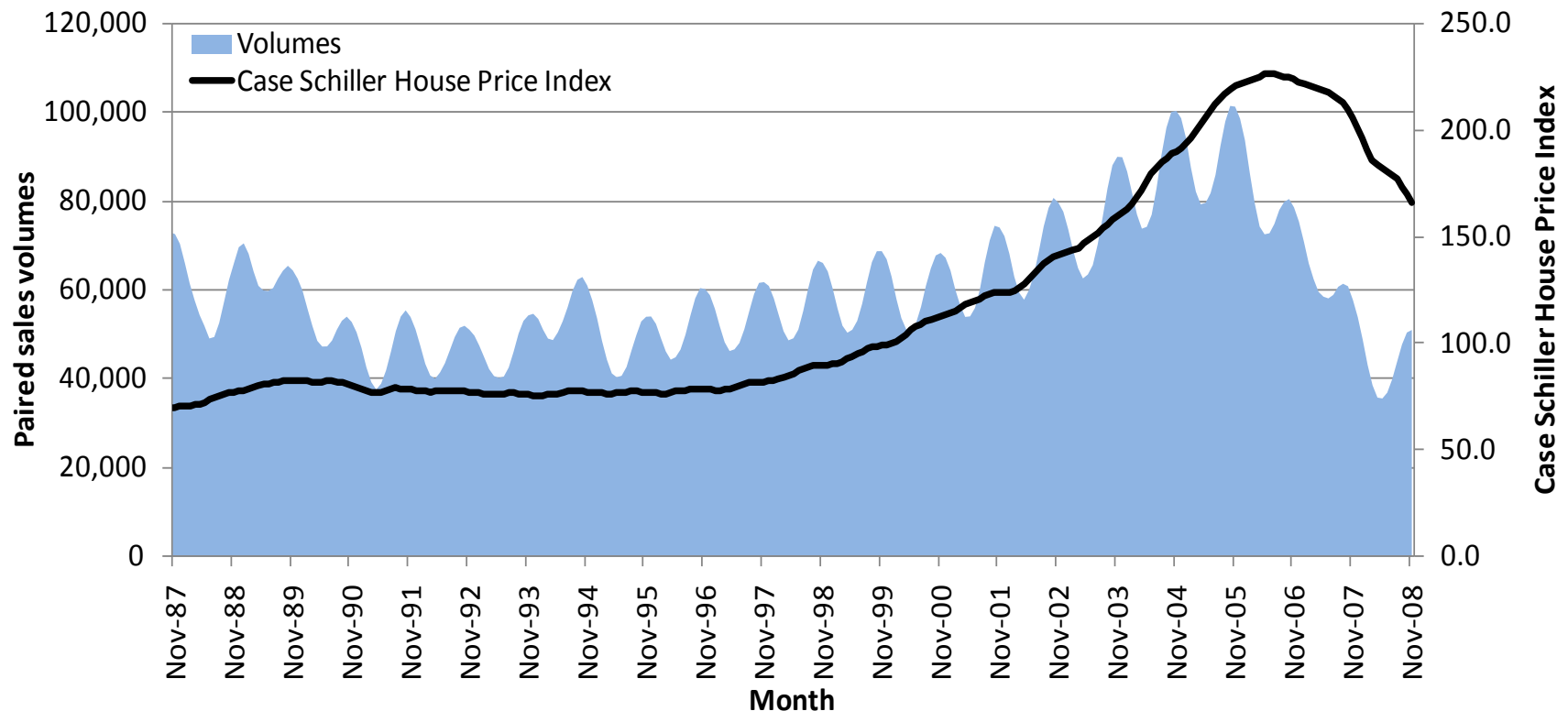
- Maintain market share in core real estate segment and grow related segments
- Strategically grow with major banking customers
- Introduction of new packages and products to meet market demand
- Leverage structure and reorganisation to keep costs low and return EBITDA margin
- Technology migration continues for another 12 months
- Margin improvement to be driven by lower cost base, focus on profitable segments, relevant product development

# Appendix



# US Housing Values

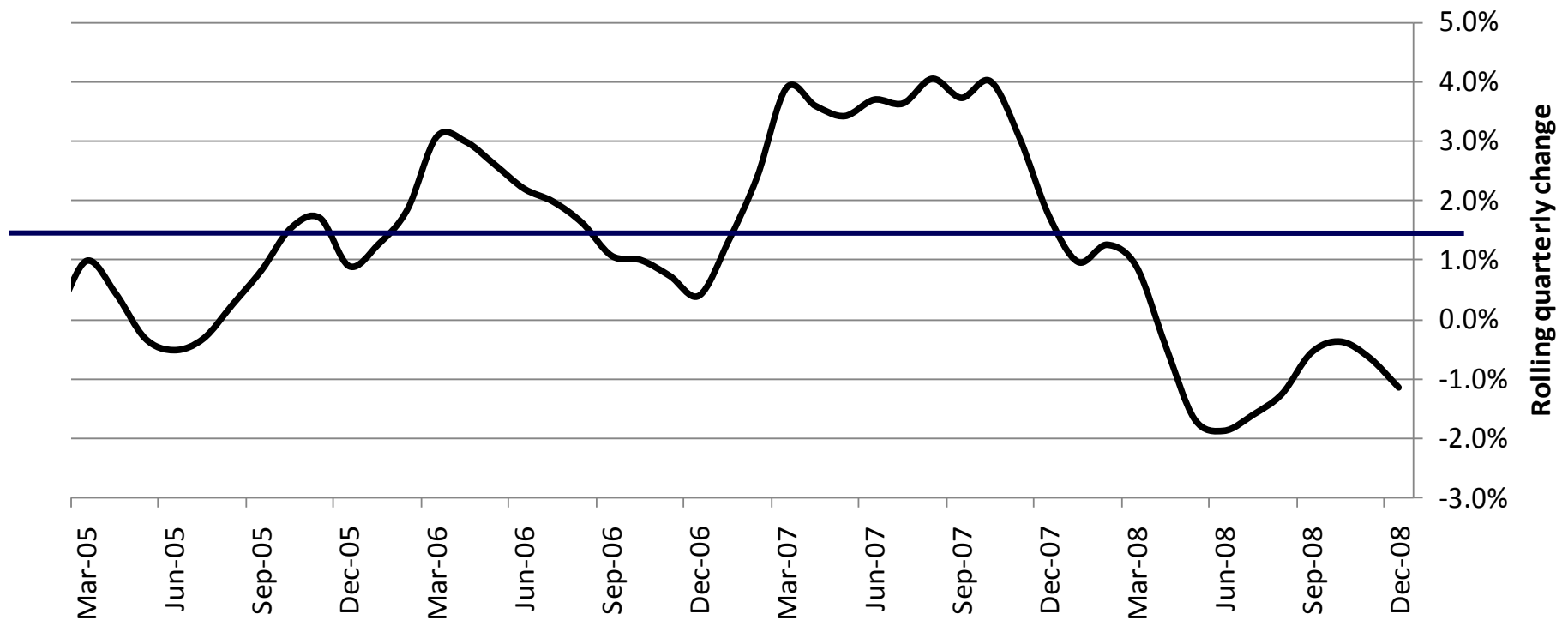
- Values down 20% and volumes down 60%
- Unemployment approaching 8%
- Falling rates but very tight finance restrictions



Source: RP Data, Case Schiller Home Price Indices

# National Dwelling Prices (quarterly)

- Dwelling values appear to be stabilizing at the macro level.
- 1.1% fall in dwelling values over December quarter.
- Values are 2.6% lower than same period last year

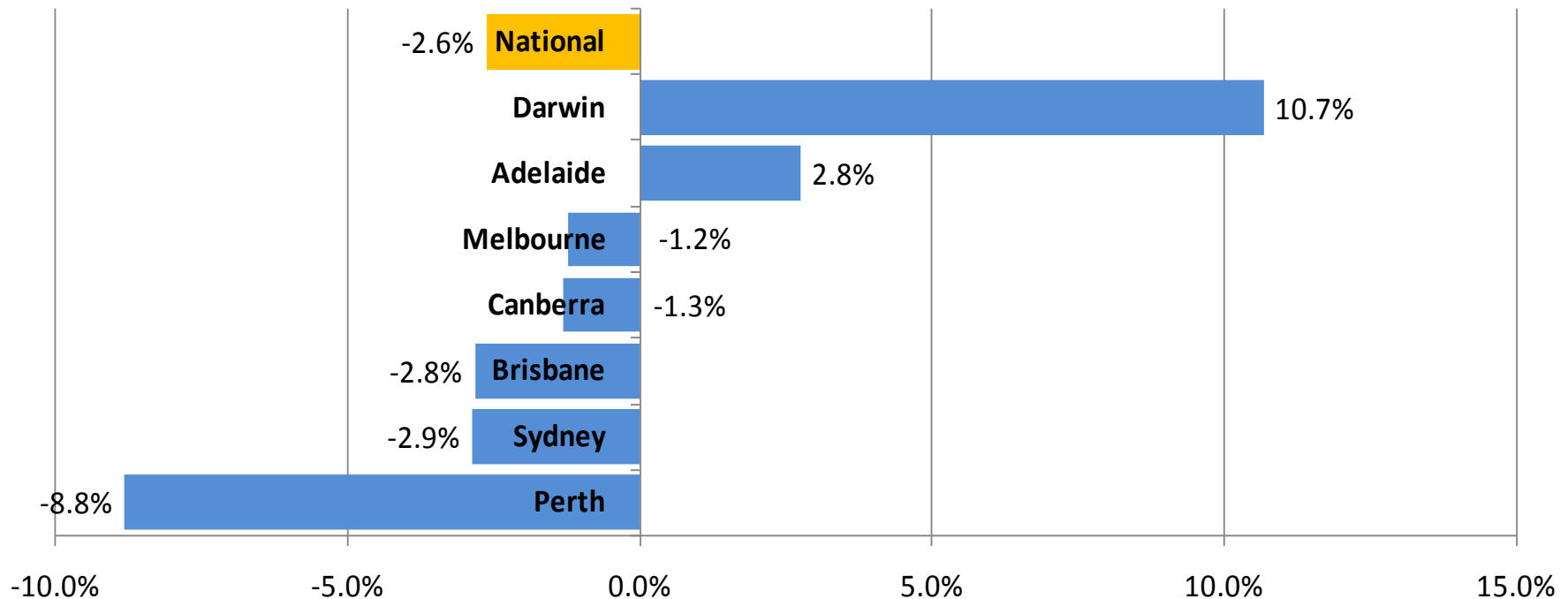


Source: RP Data-Rismark Hedonic Index

# Change in Dwelling Values (annual)

## Australian mainland capitals (CY08)

- A relatively soft landing for most capitals
- Perth remains only capital to experience a 'material' decline in property values
- Darwin and Adelaide stand out as top performers



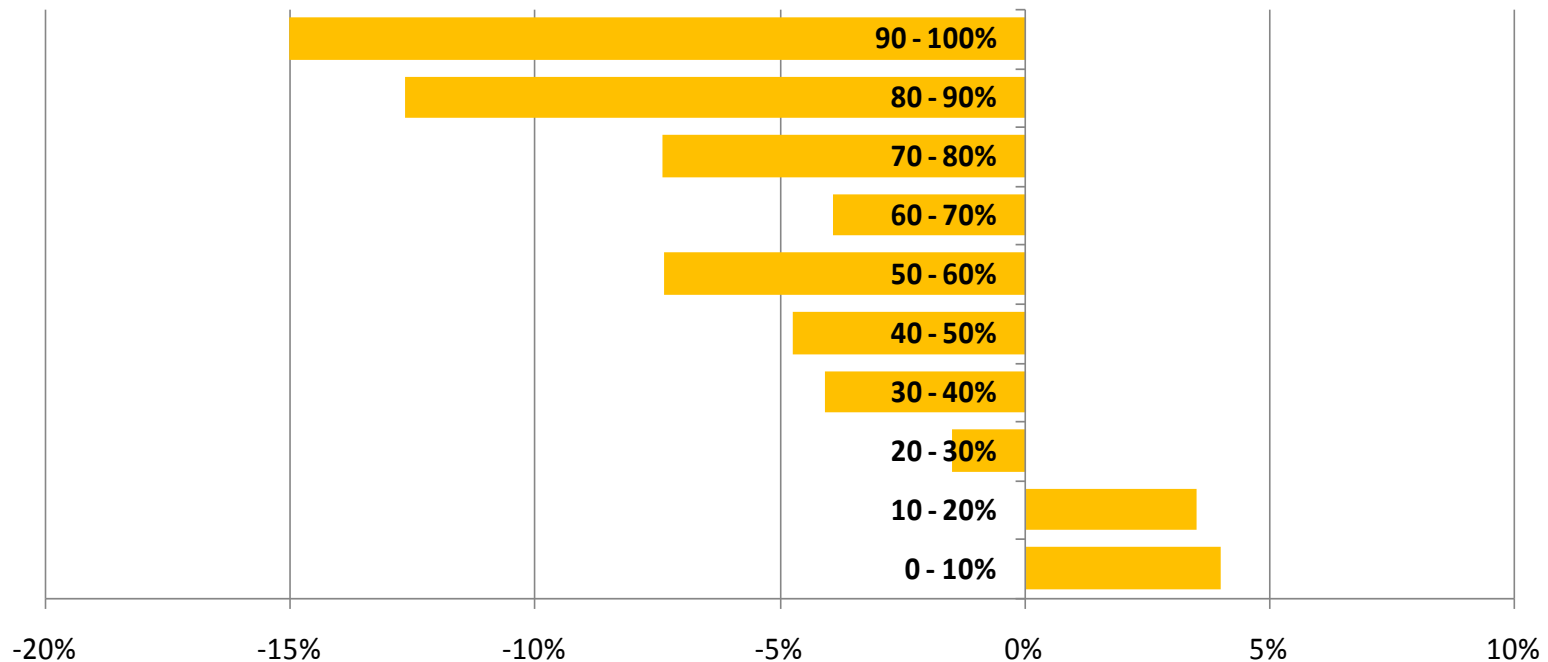
Source: RP Data-Rismark Hedonic Index

# Change in Dwelling Values (annual)

## Top end feeling the pain – Melbourne example

- Melbourne's top decile has a median price of \$917,000 – 15% lower than same period last year
- At the other end of the spectrum, houses priced under \$300k have seen a small amount of price gain.

Annual change in stratified median - Melbourne



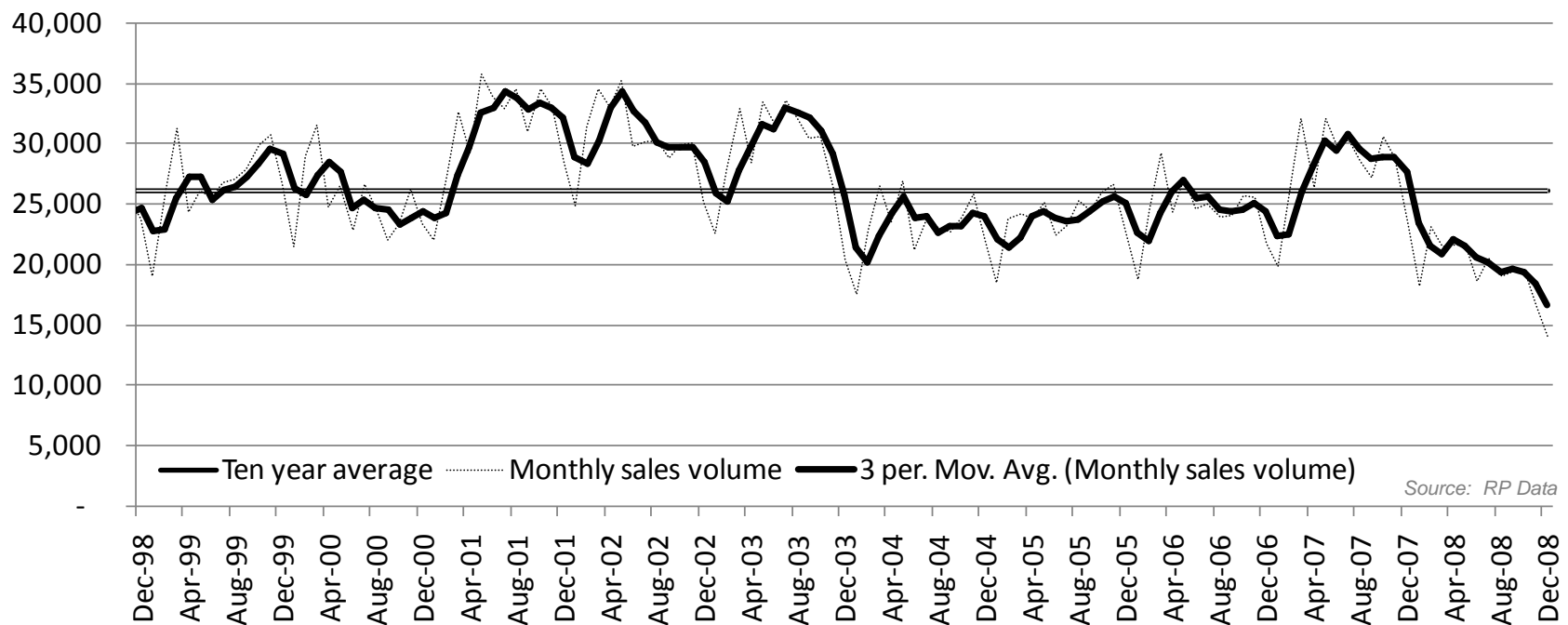
Source: RP Data-Rismark Hedonic Index



# Volume of sales

## Combined capital cities excl. Hobart (houses & units)

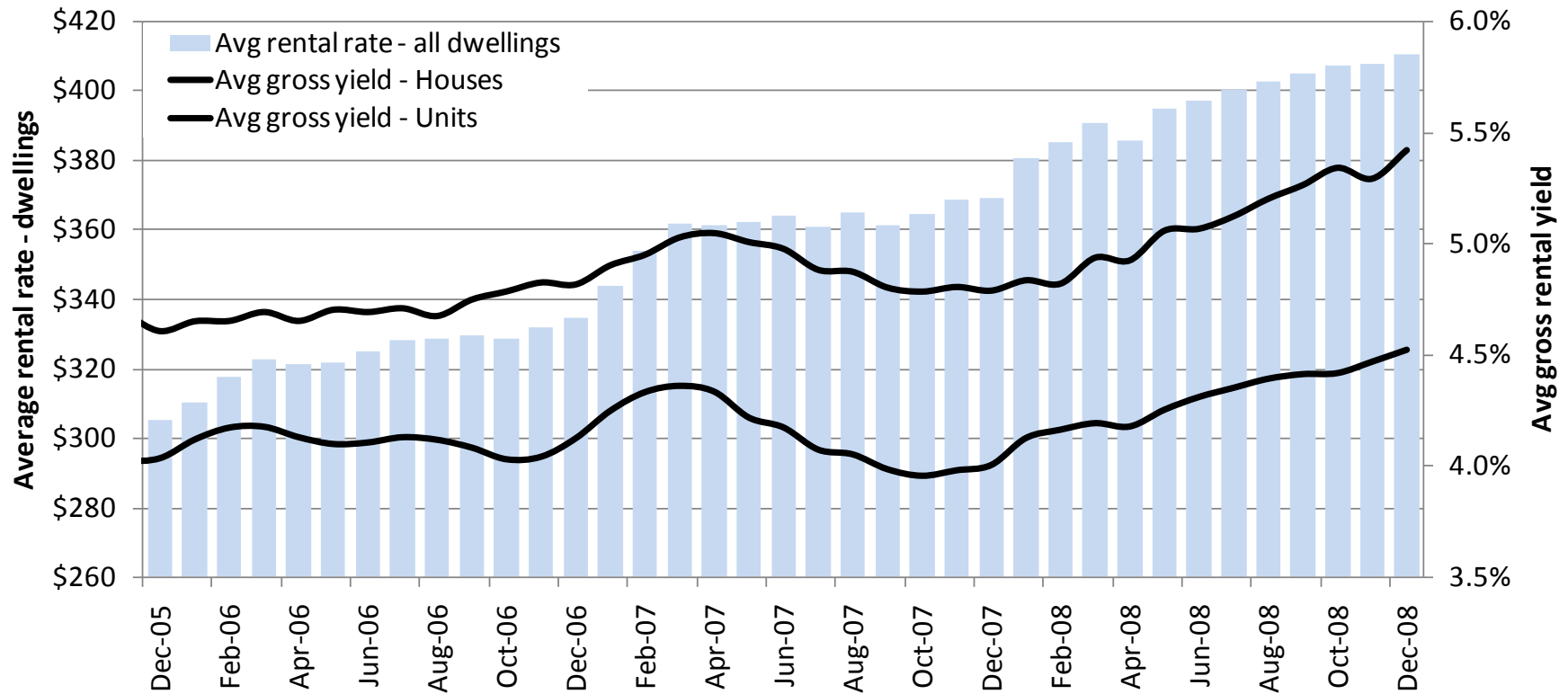
- 39.8% decline on volumes compared to same period last year
- Volumes 36.7% below the 10 year average



Period	Dwelling sale volumes	Dec quarter -08 variance
3 months ending December 2008	49,847	
3 months ending December 2007	82,794	-39.8%
10 year average	78,704	-36.7%

# National rents and yields

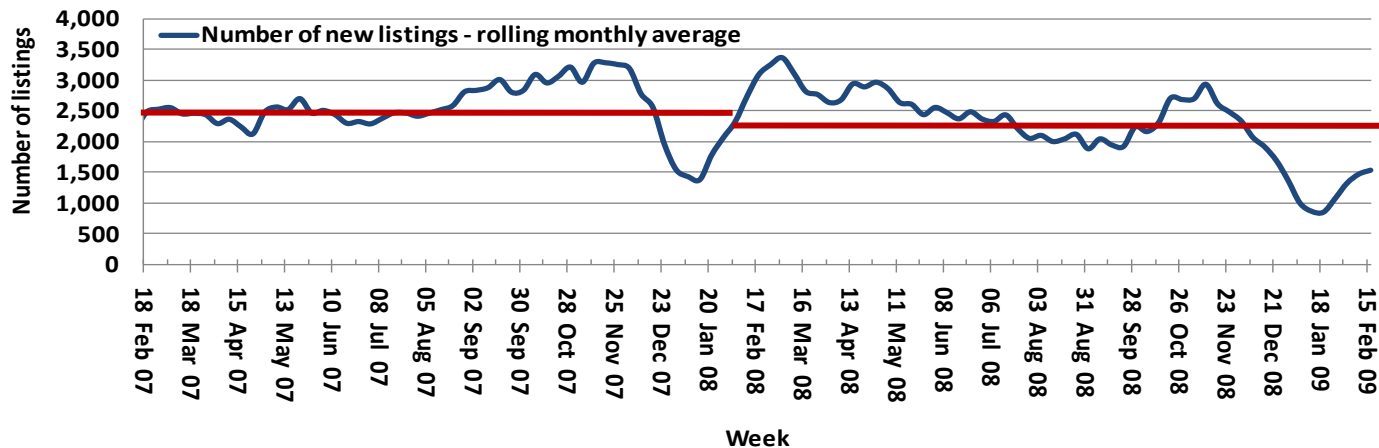
- Rents up by 12% OR \$40/week nationally over last year
- Average gross rental yield now averaging 4.7% across houses and units (compared to 4.2% same time last year)



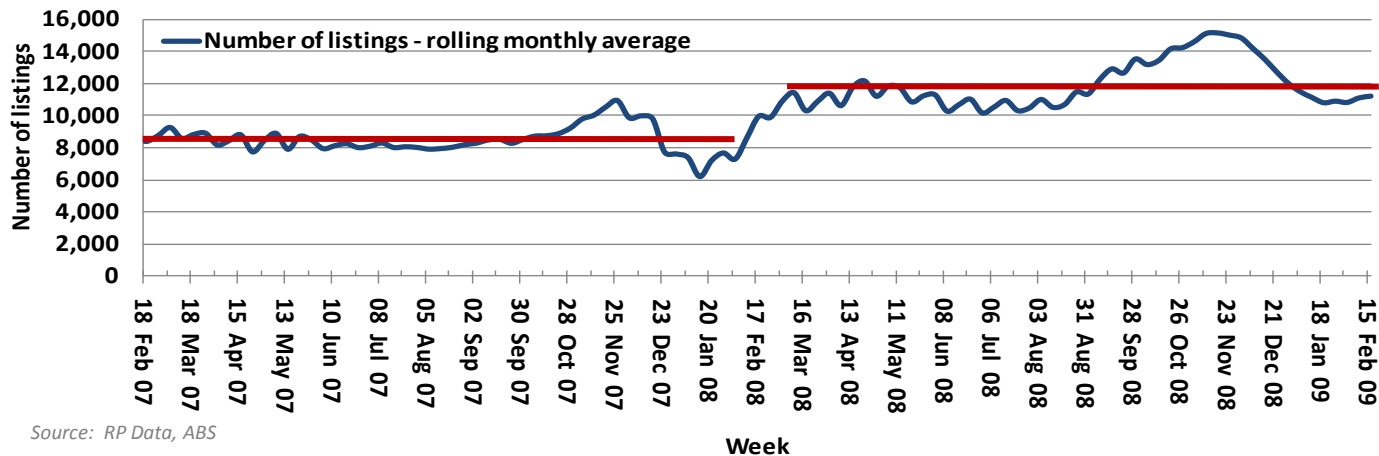
Source: RP Data, RP Data-Rismark Hedonic Index

# Residential Listings

- New listings to the market have been controlled
- Total stock on market is higher than last year



New advertised listings



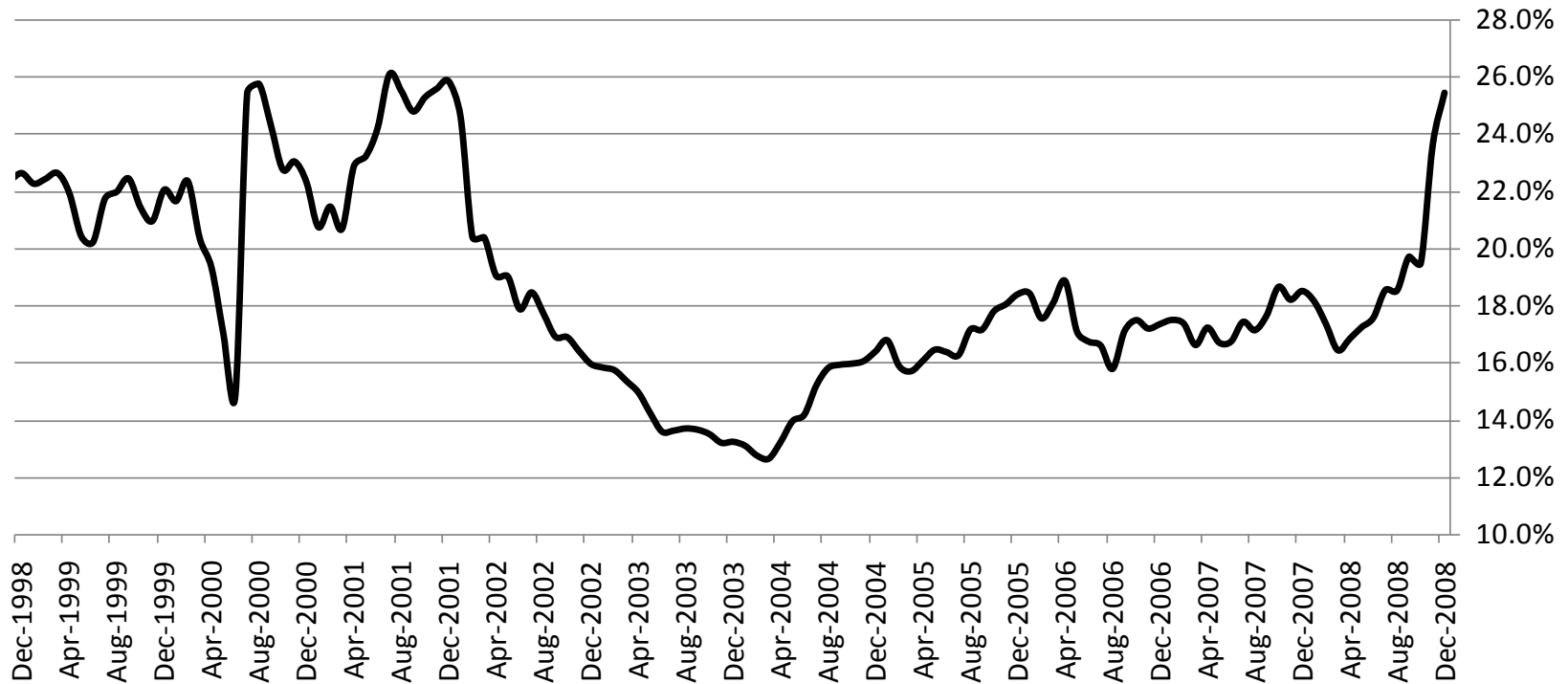
Total advertised listings

Source: RP Data, ABS

# First home buyers return to the market

- First home buyers in Australia now account for just over 25% of all owner occupier finance commitments
- A vast improvement from 2 years ago when FHB's accounted for around 17%

First home buyers as a % of all owner occupier finance commitments

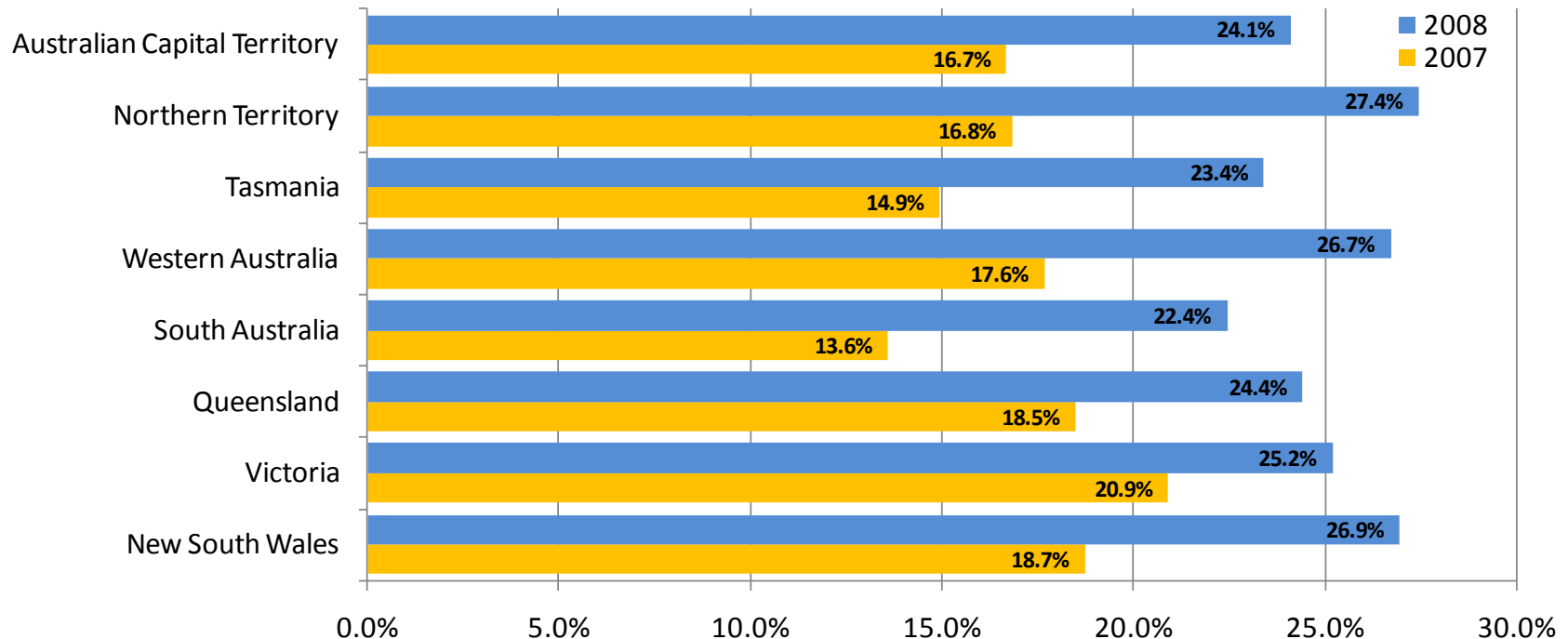


Source: RP Data, ABS

# First home buyers return to the market

- The percentage of first home buyers is up across all states and territories
- FHB's are most active in NT, NSW and WA
- FHB's are least active in ACT

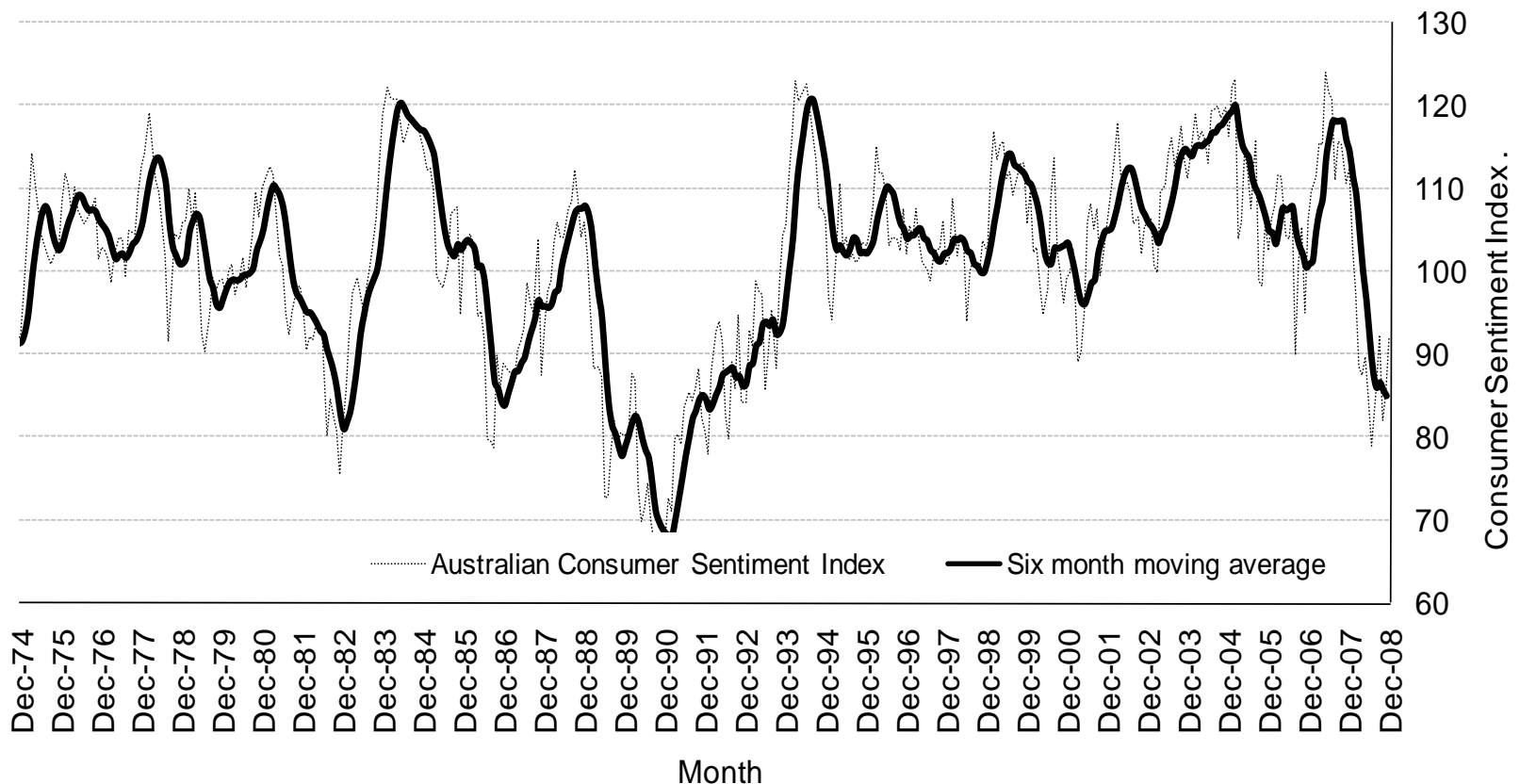
% of first home buyers  
*(as a proportion of all owner occupier finance commitments)*



Source: RP Data, ABS

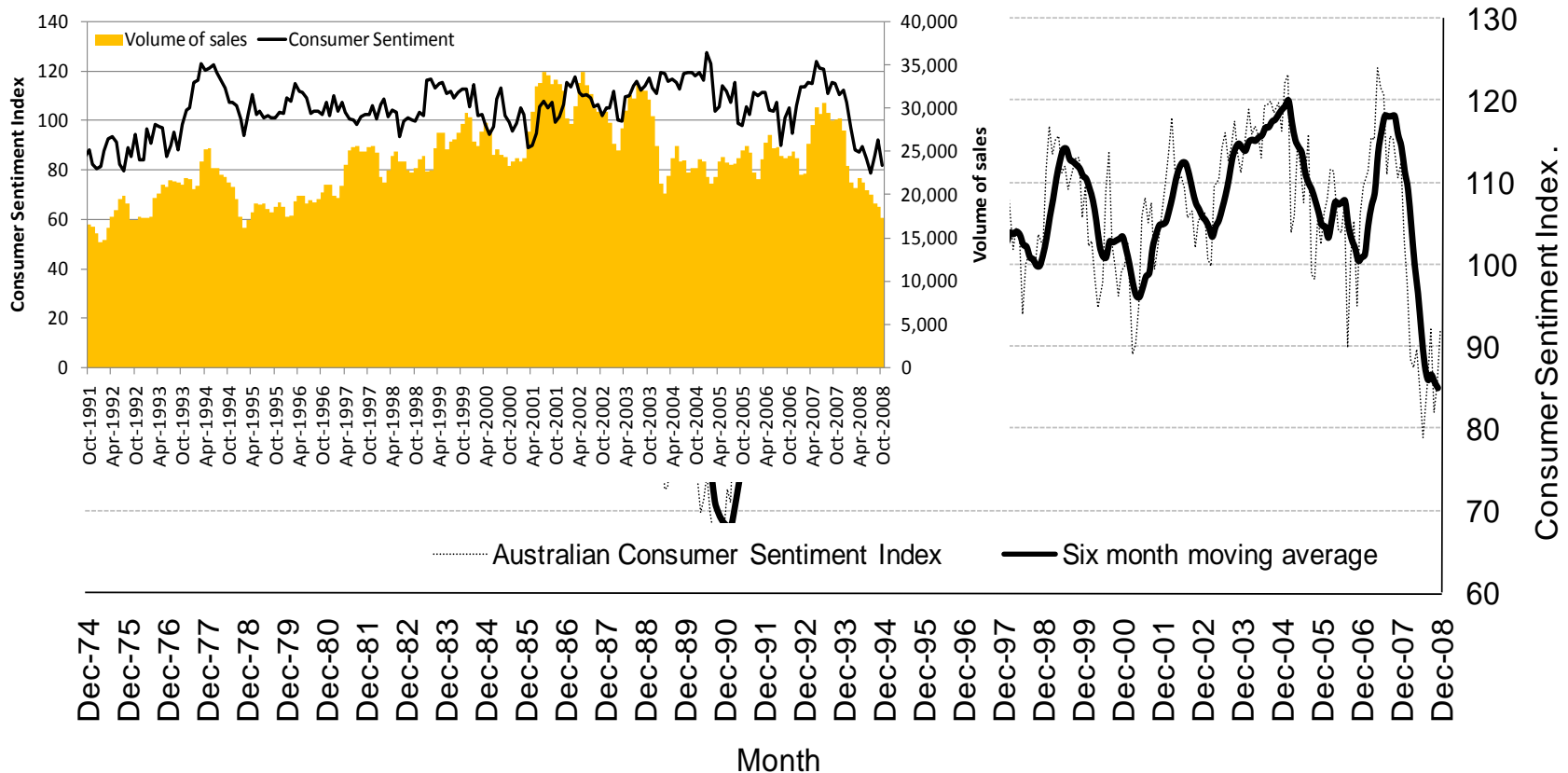
# Consumer confidence

- Confidence remains well below 100 points suggesting that pessimists well and truly outweigh optimists
- A boost in buyers unlikely until we see a considerable lift in consumer sentiment



Source: RP Data, Westpac-Melbourne Institute

# Consumer Confidence



Source: RP Data, Westpac-Melbourne Institute

# Property Market Outlook

- Likely to be further price minor falls during first half of 2009 mostly due to ongoing declines in higher priced properties.
- The build up of stock on the market will slowly be absorbed as vendors are now more realistic and buyers are becoming more active.
- A return to price growth will not become evident until market activity improves substantially, which in turn is dependent on a substantial boost in consumer confidence.
- A recovery in the lower priced segments of the market is already underway and first home buyers are gathering momentum.
- Investors have remained mostly inactive, however yields are improving and more houses are approaching a cash flow positive scenario. We are likely to see investment pick up during 2009, with many investors targeting the same stock as first home buyers.
- Still a buyers market: plenty of opportunities