

ASX Announcement
26 April 2016

REA Group acquires Flatmates.com.au Pty Ltd

REA Group Limited (ASX:REA) today announced that it has acquired Flatmates.com.au Pty Ltd (operator of www.flatmates.com.au) (**Flatmates**), the market leading player in share accommodation in Australia.

The transaction will see the REA Group acquire 100% of the Australian business of Flatmates, and provides an opportunity for REA Group to enter into a joint venture arrangement with its founders with respect to international expansion.

The purchase consideration, to be funded from cash reserves, is \$25 million plus potential earn out payments over the next two years, which are dependent on the financial performance of Flatmates.

Completion is expected in the coming weeks once certain conditions precedent are satisfied.

Flatmates was established in 1990 and is Australia's biggest share accommodation website. The site receives an average of 2.6 million visits and over 9 million flatmate searches monthly.

REA Group CEO, Tracey Fellows, said: "We know there is enormous growth in the sharing economy. The share accommodation segment is one of the fastest growing segments in the Australian property market with traffic across the sector growing at over 50 per cent year-on-year.

"This acquisition allows us to play a more active role in helping consumers, regardless of what phase of the property lifecycle they are in, to find a home. Growth in the segment includes renters looking for flatmates, homeowners seeking to rent out a spare room, property investors hoping to maximise on their outlay; it includes people at almost every phase in the property cycle.

"The move is consistent with our Purpose of making property simple and stress free. Flatmates is the number one player in share accommodation by both revenue and audience, REA Group is uniquely placed to accelerate that leadership position through the sharing of technology, expertise and reach."

Flatmates co-founders Thomas Clement and Andrew Maloney said: "The acquisition by REA is an exciting and natural progression for Flatmates. Integration with traditional property sectors will not only enable us to provide an enhanced experience to our current audience but also to renters, homeowners and property investors."

Thomas will continue in his role as CEO of Flatmates following the transaction.



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About REA Group

REA Group Limited ACN 068 349 066 (ASX:REA) is a multinational digital advertising business specialising in property. REA operates Australia's leading residential and commercial property websites, realestate.com.au and realcommercial.com.au, European sites casa.it, atHome.lu and immoRegion.fr, and Chinese property site myfun.com. REA also has a significant shareholding in US based Move, Inc. and owns iProperty Group Ltd which operates a number of property portals in Asia.