

SE Finance
HD REA rides **property** wave to earnings hike
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REAL **ESTATE company** REA **Group** has consolidated its position as the leading **property** listings **company** with a 37 per cent jump in profits.

As the **company** prepares to farewell outgoing chief executive Greg Ellis, its impressive half-year results follow a boom in both domestic **commercial** and **residential** markets and strong growth in its overseas assets in Italy and **Hong Kong**.

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REA **Group**, owner of realestate.com.au and realcommercial.com.au, boasted a net profit of \$70.7 million for the first half, compared with \$51.6m for the previous year. Revenues improved 38 per cent on the previous year, reaching \$106.8m. Earnings before interest, tax, depreciation and amortisation of \$111.8m were a 44 per cent increase from \$77.5m previously.

REA **Group** chairman Hamish McLennan said it was a sensational result. "On every measure they have delivered outstanding results. We have a very deep bench from a management point of view. Our strategy is very focused; we've been consistently delivering against that. (And) in Australia we have continued to reinforce our leadership position in this market and our No 1 position."

Mr Ellis, who will reportedly take the top role at German online advertising **company** Scout24, has a six-month notice period.

Mr McLennan said of the process to find a replacement: "We have plans in place, we are interviewing candidates and we are extremely happy with the calibre of candidates we are looking at."

He described Mr Ellis as a "world class player".

"I want to thank him for a fine innings over the years. He goes with our best wishes."

Mr Ellis said he was privileged to have led the **company**.

Mr Ellis said he believed the Italian business would eventually grow, despite the current challenging economic conditions.

"You've got material economic conditions that are not positive to running companies at the moment," he said.

"We don't see it as a medium to long-term environment. We see it to a short to medium-term issue. We think it's still a good market."

Its Australian operations performed strongly, with 30 per cent revenue growth in the half year, as strong demand drove home prices higher and encouraged visits to REA's websites. "Sydney is the most competitive market we have," Mr Ellis said.

The **company** plans to launch a **Chinese** website for **Chinese** customers looking to **buy** Australian properties.

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