



HD (AEREA) Rea Group announces sale of Hong Kong business to iProperty

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Sydney - Tuesday - October 14 (RWE) - Rea Group Ltd (ASX: REA) today announced the sale of its Hong Kong business, Squarefoot, to iProperty Group Limited (ASX:IPP) for a consideration of 5 million iProperty ordinary shares, subject to iProperty shareholder approval.

At an agreed market value of AUD\$3.00 per share, this represents a sale price of AUD\$15.00 million.

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Completion is expected to occur before the end of the 2014 calendar year and the transaction will increase REA Group's iProperty holding from 17.22% to approximately 19.43%.

Following completion, Squarefoot's print and online assets, including the squarefoot.com.hk site, will be operated by iProperty, alongside its GoHome.com.hk site.

iProperty will also be offering employment to all local Squarefoot team members.

REA Group CEO Tracey Fellows said: "This transaction is a great outcome for both REA Group and iProperty, and further strengthens our relationship and commitment to each other.

Once complete, our shareholders will continue to benefit from Squarefoot's growth in Hong Kong through our increased shareholding in iProperty.

"I am also very pleased that to confirm that REA Group has been invited to appoint a representative to the iProperty Board.

This will provide an opportunity to make a contribution to iProperty's strategy and bring us closer to the management team," Ms Fellows added.

iProperty Group CEO and Managing Director Georg Chmiel said: "As a result of the acquisition of squarefoot.com.hk and its popular property magazine, iProperty now owns two leading property portals in Hong Kong.

This gives us a dominant position in a highly strategic market".

Commenting on the transaction, REA Group Chairman Hamish McLennan said: "South-East Asia is one of the fastest-growing property markets in the world and this transaction is a clear signal of the Board's confidence in iProperty.

"We see terrific advantages in partnering with iProperty and its strong local management team to create value for our shareholders".

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