

## **Australia's IPGA hoping to dominate online real estate market in Asia**

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SYDNEY (Thomson Financial) - Newly-listed online property group IPGA Ltd is seeking to be the leading real estate website in at least five countries in Asia by September 2009, executive chairman Patrick Grove said Tuesday.

In an interview with Thomson Financial, Grove said the company will expand "as aggressively as humanly possible" in Asia as it tries to increase its share of the region's fast-growing property market.

"We are looking for markets where we can be number one from day one," Grove said. "If you are number one in the market, then as long as you just don't do anything silly, you will always be number one and you will be able to consistently grow your business at 100 percent a year for the next 5-8 years."

IPGA, which listed on the Australian Stock Exchange in September and has a market capitalization of 8 million Australian dollars, is majority owned by Catcha Corp, a Singapore-based magazine publishing company of which Grove is one of the founders.

IPGA already owns real estate and property websites in Malaysia, Singapore, Thailand and the Philippines and plans to expand into other countries in Asia over the next few years.

It said it has more than 1,200 real estate agents, 80 property developers and 80 real estate agencies advertising over 23,000 properties on its sites.

"If we're number one in five markets at the end of two years, we will consider that a job well done," Grove said. He said the company has already reached the number one spot in Malaysia and Singapore.

Grove sees "great opportunities" to grow in Asia, where less than 50 percent of real estate agents and property developers currently advertise their properties online and Internet penetration is low compared to more developed regions.

He said there are also lots of opportunities for consolidation in highly fragmented markets where some small websites are still based in "someone's bedroom".

Cashed up

"Our company has an acquisition mindset. We are very comfortable to do acquisitions and we are very comfortable to do them fast if they make sense. If we can do one every two months that would be good," Grove said.

IPGA is cashed up after raising 7.5 million dollars for its listing. Grove said the company will use this cash and scrip to fund acquisitions and, if necessary, return to the market to raise funds.

"We know there are 10 markets [in Asia] and we can't attack them all at the same time. But as much as we can fit on our plate, we are going to do this," Grove said.

While the company is based in Asia, Grove said he decided to list it in Australia because he believes Australian-based investors have a much better understanding of Internet companies.

It might also be a case of once bitten, twice shy. Grove and his partners were trying to list Catcha on the Singapore Stock Exchange in 2000 when the dotcom bubble burst. The initial public offering was pulled on the advice of their bankers and they were left holding a 2 million dollar bill for the aborted listing.

Grove has not ruled out expanding further afield. He has held preliminary discussions with real estate website operators in Saudi Arabia, the United Arab Emirates and Kuwait.

"If the fit was there we would do the deal," he said. "It's not a complicated business. It's just a matter of getting out there and doing it fast before someone else does."

IPGA is also considering setting up a service to help customers arrange financing and to assist them in finding builders and plumbers when they want to do renovations.

But for now, Grove said he is focusing on growing the real estate advertising business and finding enough people to help manage the company's rapid expansion.

"My priority for the next two weeks is finding people rather than finding companies to buy," he said.

Shares in IPGA last traded at 26.5 cents, compared to its offer price of 25 cents.

(1 US dollar = 1.12 Australian dollars)