onthehouse HOLDINGS

First Half 2015 Results

26 February 2015

- **Overview**
- **Financial summary**
- **Real Estate Solutions division**
- **Consumer Online & Data Analytics division**
- **Outlook**

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Overview

- Initial phase of strategic review completed
- Board refreshed
- Revenue stable, with underlying EBITDA down 3.8%
  - Statutory earnings affected by one-off costs
- Net cash balance maintained while reinvesting in the business and paying down debt
- Focus on customer service and cross-selling in Real Estate Services (RES)
- Consumer Online and Data (COD) focus on Project Rise, our next generation online platform

Strategic review – initial assessment and restructure

Business divisions restructured

Divisional structure now better reflects operations
Financial reporting now reflects new structure, with all relevant costs allocated

First cut five year business plans for RES and COD
confirm need for significant additional investment in both divisions

Real Estate Solutions

Back and front end software for real estate agent use

Stable, annuity style revenue streams and is very profitable

Consumer Online & Data

Free to consumer data platform and fee for service data and valuation products

Still in start-up, requires significant additional investment but has high upside potential if disruptive model succeeds

New Board in place to drive business

- Board renewal completed
- Incoming Board has a good balance of shareholder representation and independent directors, with the skills and a strong alignment of interest to contribute to the Company’s evolution and development
- CEO search re-initiated
  - Chris Meehan, the current Chief Operating Officer appointed Acting CEO

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Steady revenue and continued investment in the future

Key earnings items ($000's)	1H15 Statutory	1H15 Underlying[1]	1H14 Underlying	% change[2]
Sales revenue	13,022	13,022	12,924	0.8%
EBITDA	2,781	3,050	3,172	-3.8%
EBITDA Margin	*21.4%*	*23.4%*	*24.5%*	*-1.1%*
Profit/(loss) before tax	(10,903)	(179)	229	nm
Net profit/(loss) after tax	(9,133)	93	730	-87.3%

- Business continued to generate stable earnings - steady revenue from both divisions
- Underlying EBITDA slightly reduced as a result of increased investment across the business
- Statutory profit impacted by one off costs related to investments, former CEO departure and non-cash impairment charge of $10.5 million

[1] Adjusted for transaction costs incurred in respect of potential merger, acquisition activity costs associated with former CEO's departure and impairment charge
[2] Change from 1H14 underlying to 1H15 underlying
Information in addition to IFRS measures included in this report has been used for consistency and user readability. The measures have been derived from audited information contained in the financial statements.

Impairment

- Impairment charge of $10.46 million has arisen because the “value in use” of the Consumer Online assets has reduced
- The impairment consists of three elements:
    1. A goodwill impairment of $3.68 million
    2. A write-off of capitalised costs of $4.67 million relating to software
    3. A write-off of the carrying value in other intangible assets in the division of $2.10 million (e.g. data, customer relationships and brand names)
- The balances in items 2. and 3. would ordinarily be expensed through amortisation charges in future years
- With the development of Project Rise underway, the business is well positioned for growth and value creation over the next three to five years

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Reinvesting and reducing debt

Key balance sheet items ($000's)	31 Dec 14	30 Jun 14	% change
Cash	1,222	3,416	*-64.2%*
Goodwill & intangibles	54,845	65,232	*-15.9%*
Other assets	4,196	4,441	*-5.5%*
Total assets	**60,263**	**73,089**	***-17.5%***
Borrowings	1,075	1,672	*-35.7%*
Other liabilities	5,204	8,531	*-39.0%*
Total liabilities	**6,279**	**10,203**	***-38.5%***
Total equity	**53,984**	**62,886**	***-14.2%***

- Cash generative business facilitates
  - Investment in key initiatives in both RES and COD
  - Reduction in debt
- Reduction in total equity of 14.2% driven by impairment charge

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Cash flows

Key cash flow items ($'000)	1H15	1H14	% change
Operating cash flows[1]	1,803	3,044	*-40.8%*
Investing cash flows	(3,401)	(2,087)	*+63.0%*
Financing cash flows	(596)	(779)	*-23.5%*
Net change in cash	**(2,194)**	**178**	*nm*
Cash at beginning	3,416	4,187	
Cash at end	1,222	4,365	*-72.0%*

- Operating cash flow of $1.8m
  - Decrease from 1H14 reflects increased business investment in key initiatives such as support, marketing and customer care
  - Funded repayment of debt and increased business investment
- Investing cash outflows up 63.0% to $3.4m
  - Ongoing investment in both RES and COD
  - $0.3m deferred consideration
- Financing cash outflow of $0.6m
  - Repayment of $0.6m debt
  - $0.4m equipment facility drawn

[1] Includes foreign exchange differences

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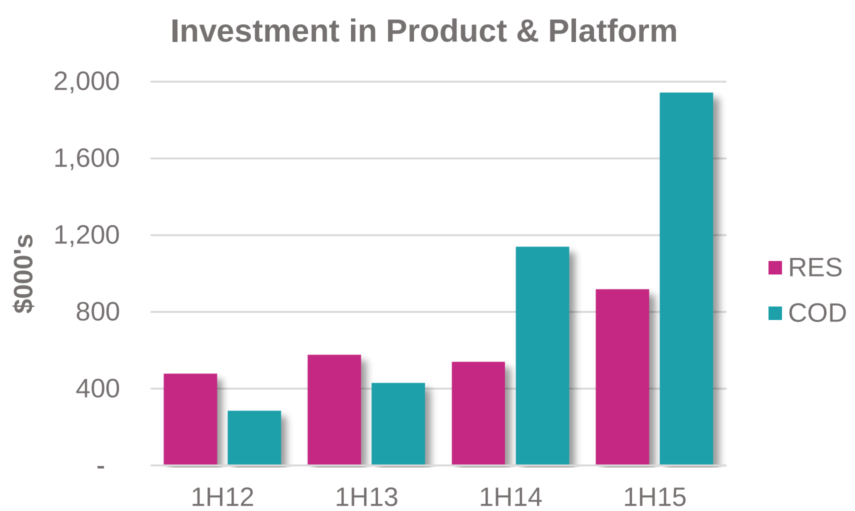
Investing for the long-term in both divisions

Key cash flow items ($'000)	1H15	1H14	% change
Investing cash flows			
- Product	(3,027)	(1,681)	*80.1%*
- Infrastructure (net)	(124)	(406)	*-69.5%*
- Acquisitions	(250)	-	*nm*
Total investing cash flows	(3,401)	(2,087)	*63.0%*



- 1H15 outflows reflective of increased investment in product
  - COD product development investment largely dedicated to Project Rise
  - Continued investment in RES to build additional product features
- Infrastructure largely in place following investment in FY14
- $250k deferred consideration for acquisition of The Ad Network Pty Ltd

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New divisional reporting reflects structure and costs

	Previous structure			New structure		
	RES		COD	RES	COD	
Revenue	Agent software revenue	Data services revenue	Media revenue	Agent software revenue	Media revenue	Data services revenue
Expenses	Direct costs, excluding data costs which were shared		Direct costs	Direct costs & allocated corporate costs	Direct costs including data costs & allocated corporate costs	
Unallocated	Costs associated with data and all corporate costs (e.g. occupancy, finance, HR). Approximately 50% of Group costs were unallocated			More costs being directly attributed to business units, with the remaining unallocated costs being Board, IR, ASX and Office of CEO totalling ~9% of Group costs		

- New divisional structure better reflects operations
  - Financial reporting brought in line to more effectively allocate costs

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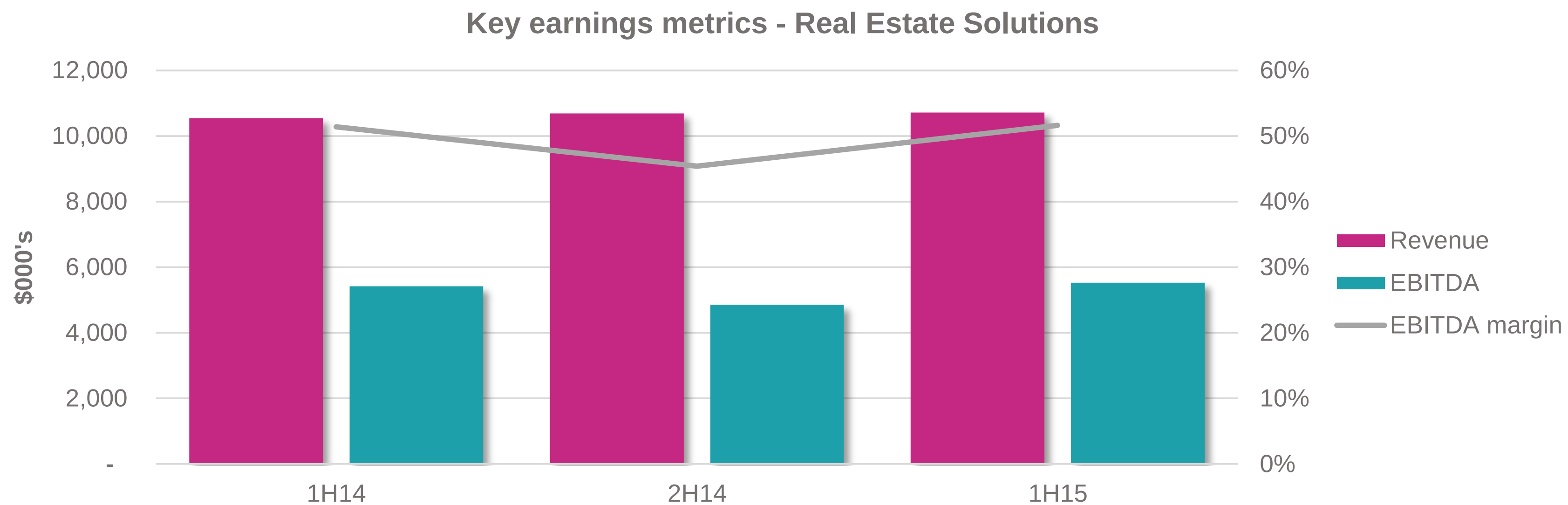
RES - steady revenue and improving EBITDA



- Focus in 1H15 on improving internal efficiencies and on key initiatives:
  - Increasing yield per door
  - Service improvement
- Revenue growth of 2% YOY and flat since June 14
- Cost management has improved EBITDA and EBITDA margin over 2H14 but remains unchanged over corresponding period 1H14

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Focus on positive customer experience to increase retention

- Attention remains on customer service

- Focus on key initiatives include
  - Delivery of new features
  - Industry and customer research
  - Launch of Net Promoter Score (NPS)
  - Increased customer engagement via new post-customer-service surveys

- Results are flowing through
  - Client implementations and onboarding timelines reduced by 24%
  - Sustained lower support response times
  - Number of monthly customer complaints dropped by 49% since June 2014 to January 2015

Source: Onthehouse Management Reporting

Increasing yield per office

- Ongoing focus on cross-selling strategy in 1H15
  - Appointment of account managers
  - New Webchoice Express (lower price point) opens new opportunities
  - Training of BDMs on bundled sales

- Increasing yield per office
  - 4% increase since Dec 2013

- Slight fall in office numbers since 2013 due to several franchise groups shifting off Webchoice platform and higher churn of Console NZ clients

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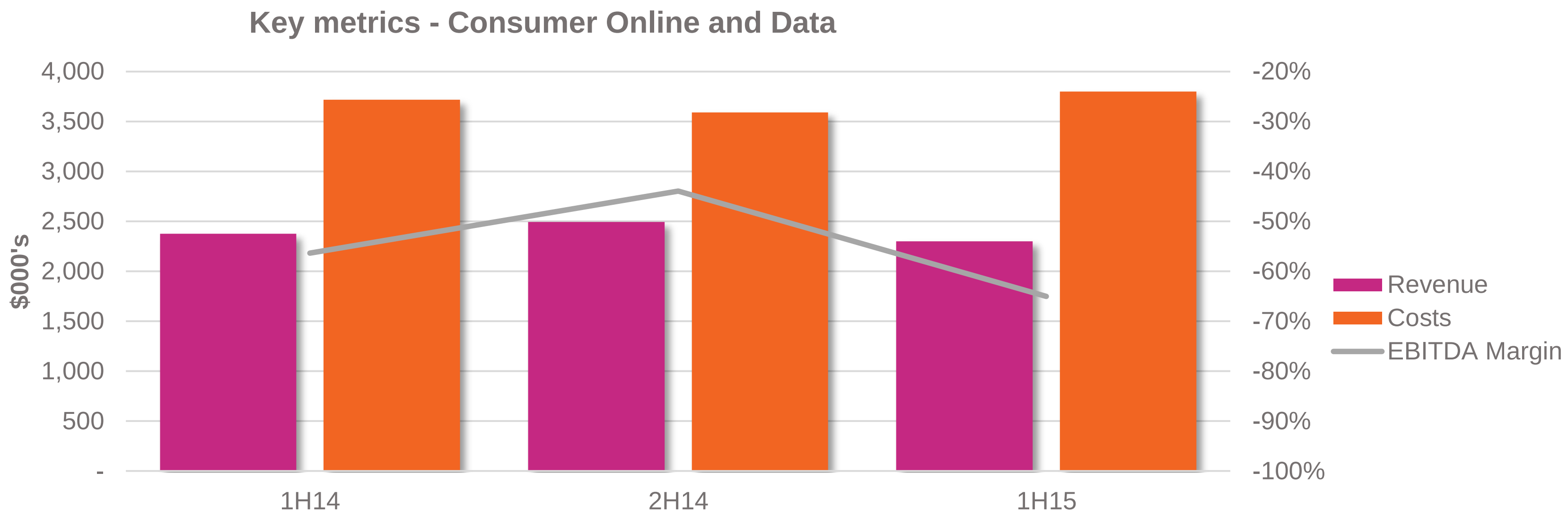
COD focus on Project Rise



- Revenue slightly down (3%) on the prior corresponding period
- Consumer Online traffic is strong and growing
- Agent engagement leading to increased listings and content
- Delivery of Project Rise beta site

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Growing ingestion and exposure of data

- Continued focus on generating ‘non-agent advised’ data and sources
  - Obtaining data from multiple sources in addition to agents
  - Automating data matching across these sources

- Continued growth of data warehouse
  - Nearly 13 million properties available to publish on the website
  - Already publishing Sold History Data against over 7 million properties
  - Bed, Bath, Car property attributes held over 10 million properties

- Continued work on development of flexible data API layer
  - Opening 3rd party development & parallel innovation opportunities

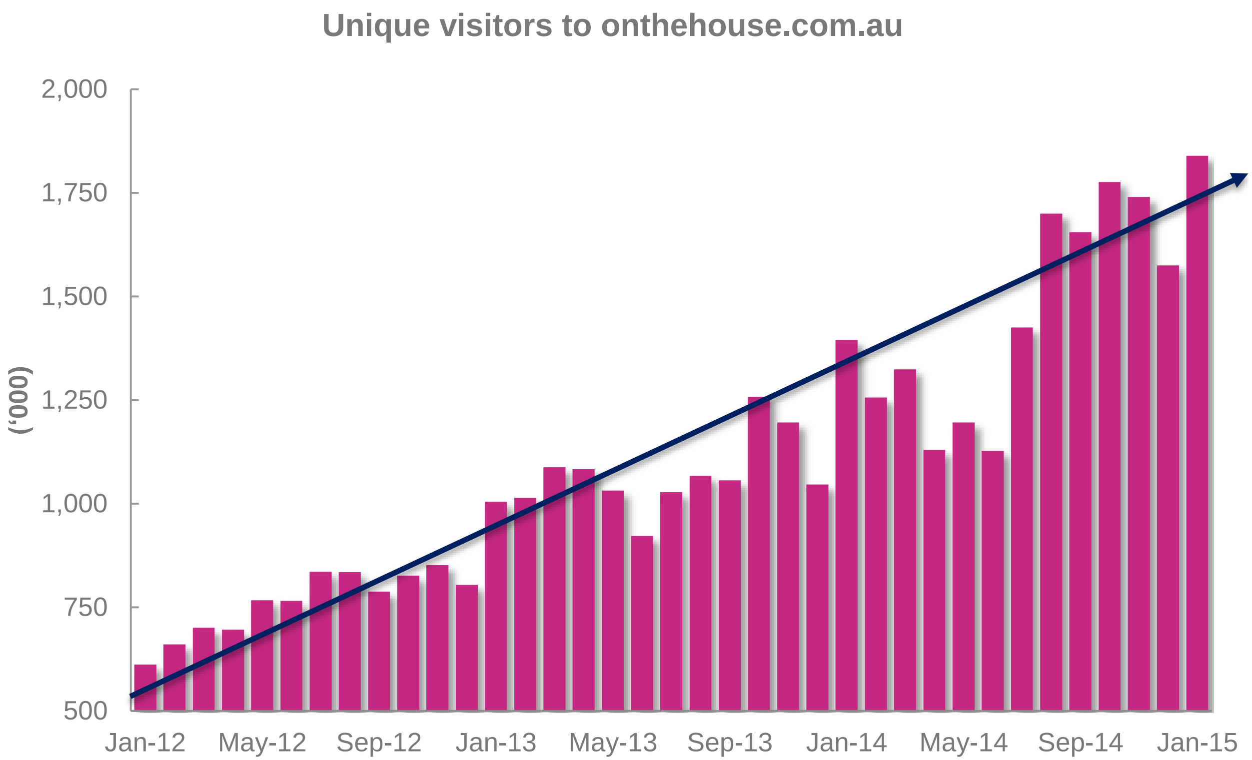
Traffic continues to build - no signs of slowing

Onthehouse.com.au is the Number 1 property data* website

Traffic up 63% since June 2014

32% YOY growth in traffic *(Jan15 PCP)*

49% YOY growth in page views *(Jan15 PCP)*



Source: Google Analytics February 2015 (OTH and OTH GTM), Onthehouse Management Reporting
* Property data includes listings, historical sold data, historical rental data, land sizes, block data and analytics

Traffic is translating into engagement

- Over 3 million property profile reports viewed every month
- 162% YOY increase in listings page views (Jan 15 PCP)
- 59% YOY increase in Agent Offices providing listings (Jan 15 PCP)
- 22% YOY increase in Consumer Membership (Jan 15 PCP)
  - Consumer membership of around 200,000 (Onthehouse + Residex)
  - 93% of members actively engaged
  - Continued increase in newsletter and social media engagement
- Growth of mobile engagement
  - Averaging over 45% of our traffic
  - Over 16.5 million mobile app page views in 1H15

Source: Google Analytics February 2015 (OTH and OTH GTM), Onthehouse Management Reporting
- Property data includes listings, historical sold data, historical rental data, land sizes, block data and analytics
- “actively engaged” means providing listings, accessing the membership system or accessing content

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Priorities in 2H15

- CEO appointment
- Completion of strategic review with new CEO and Board
- Continued focus on expense and cash management
- RES priorities
  - Service improvement
  - Product enhancement
  - Sales effectiveness
- COD priorities
  - Grow consumer engagement
  - Continued investment to deliver Project Rise
  - Enhance revenue opportunities from existing capabilities
  - Drive greater monetisation of growing consumer audience

Questions

Appendices

Amortisation

- The Group's accounts include substantial intangible amortisation charges which predominately arise from accounting for the acquisition of subsidiaries and the amortisation of internally developed software
- The table below shows the expected ongoing amortisation in respect of the balance as at 31 December 2014 together with the amortisation recorded during HY1FY15 and the carrying value of intangibles at 31 December 2014

$'000s	HY1 - FY15	31 Dec 2014 Carrying value[1]	HY2 - FY15	FY16	FY17	FY18	FY19	FY20 and beyond
Data								
Acquired	(229)	1,930	(231)	(462)	(259)	(250)	(250)	(478)
Developed	(37)	-	-	-	-	-	-	-
Customer contracts and relationships	(806)	6,871	(690)	(1,315)	(1,315)	(1,315)	(1,315)	(921)
Goodwill	-	39,589	-	-	-	-	-	-
Software								
Acquired	(881)	2,095	(838)	(1,208)	(23)	(12)	(6)	(8)
Developed	(993)	4,019	(620)	(1,241)	(1,014)	(699)	(388)	(57)
Other intangibles	(13)	341	(12)	(25)	(25)	(21)	(20)	(238)
Total	**(2,959)**	**54,845**	**(2,391)**	**(4,251)**	**(2,636)**	**(2,297)**	**(1,979)**	**(1,702)**

1. After recognition of impairment charges

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Disclaimer

Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. These forward-looking statements reflect Onthehouse Holdings Limited’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of Onthehouse Holdings Limited.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Onthehouse Holdings Limited’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.