Company Update

Monday, 15 June 2015

Onthehouse Holdings Limited (**"Onthehouse"** or **"Company")** (**ASX:OTH**) provides the following update on the affairs of the Company.

- **Strategic review completed**
- **Consumer Online Business to be separated from listed company**
- **Operational and financial independence between the two distinct businesses saving approximately $7M in cash annually**
- **Discussions underway with a number of possible strategic partners**
- **CEO Appointment**

As outlined at the annual general meeting in November 2014, the Board commenced a strategic review of the business and concurrently commenced a search for a new CEO. Both these undertakings were well advanced but were put on hold in February 2015 due to foreshadowed changes to the Board subsequent to major changes in the company's shareholding.

Changes to the Board were announced to the market on the 16 February 2015. Since then, the Board has been focusing on:

- Improving operational performance;
- Providing organisational clarity and "right-sizing" the organisation;
- Ensuring that the Board and management are aligned on strategy and priorities, and
- Completing the strategic review.

Significant progress has been made on all the above.

CEO Appointment

I am pleased to confirm the appointment of Chris Meehan, who has been the Acting CEO since February, as the CEO of Onthehouse Holdings Ltd. Chris has a track record of success in technology businesses having established Domain.com.au from 2000 to 2006 and ASX listed Travel.com.au before it was sold to Wotif. Chris' appointment follows the appointments of Emily Santucci as the Company's CFO and Andy Antonini as the COO of the Consumer Online Division in March.

Members of Onthehouse Group

SYDNEY
Level 9/46 Kippax Street
Surry Hills NSW 2010

MELBOURNE
Level 11/460 Bourke Street
Melbourne VIC 3000

BRISBANE
Level 2/200 Adelaide Street
Brisbane QLD 4000

F. 1300 131 399
ACN. 150 139 781

Strategic review finalised

Conclusions reached by the Board and management in reviewing the Company's strategic options are:

1. Consumer Online (COD) and Real Estate Solutions (RES) are distinct businesses and there is no compelling inter-dependency between them;
2. As a consequence they need to be managed independently with a focus on an individual strategy for each business;
3. Sharing of data will be by way of license agreements;
4. The new COD subsidiary will have its own Board chaired by Onthehouse's largest shareholder Michael Dempsey and will include current Board member Lisa Hickson;
5. RES generates approximately $9 million in free cash per year and is able to self-fund implementation of its strategy;
6. COD consumes approximately $7 million in cash per year that is currently being funded by the cash generated by RES;
7. The existing "OTH" board will not change.

Based on these conclusions and a conviction that both businesses have significant intrinsic value that is not currently recognised by the market, the Board has decided RES will continue to be developed within the current, listed, legal entity.

COD will be developed in a non-listed JV vehicle in which OTH Holdings would maintain an interest, of between 30% and 49%. JV partners could be one or several of the following:

a. Like businesses that can add experience, technology or other industry assets etc. to the venture; and/or,
b. Venture capital investors or other funders.

The board believes significant value can be created in this structure without the responsibility of funding the COD business.

Below is a diagrammatical representation of the proposed structure:
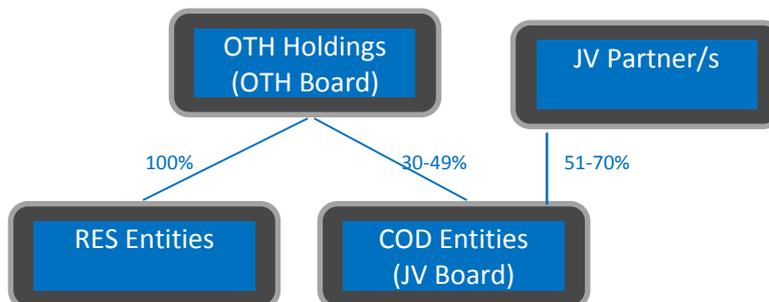
The search for appropriate JV partners has commenced and OTH is currently in discussion with a number of parties.

The Board expects that the above strategy will take approximately six months to execute.

This new company structure provides a number of benefits including:

- Allowing the RES business to properly develop its potential without the constraints of funding COD;
- Providing OTH with a more appropriate risk/reward balance. The listed vehicle will have a stable, profitable core business with a significant investment in the potential upside of the COD business;
- Enabling those parties attracted by the opportunity in the Consumer Real Estate Category to invest in that sector and providing the funding necessary to develop the COD business;
- Avoiding the need to raise capital and dilute the current shareholding, or obtain debt funding;
- Providing the market with transparent earnings and an easy-to-understand business model;
- Stronger management focus on each business.

FY15 Financial Outlook

It is anticipated that the FY15 results will be materially in line with FY14. Revenue is largely on track with the prior year and normalised EBITDA is projected to be slightly higher than FY14 as a result of the cost efficiency initiatives undertaken this year.

Tony Scotton
Chairman

- ENDS -

For further information please contact:

Chris Meehan
Chief Executive Officer
M: 0407 149 544
E: chris.meehan@onthehouse.com.au

Tony Scotton
Chairman
M: 0419 527 592
E: tony.scotton@onthehouse.com.au

About Onthehouse Holdings Limited

Onthehouse Holdings Limited (ASX: OTH) is an ASX listed Australian online real estate content and services platform headquartered in Brisbane. The business divisions operated by the Company consist of:

The Consumer Online Division is a platform of publicly available real estate websites underpinned by the www.onthehouse.com.au website, providing free access to an extensive database of real estate content and property values on most properties in Australia, including traditional real estate online classified listings. The website is comparable to successful offerings in the US (Zillow) and UK (Zoopla) and has very quickly become the third largest online real estate platform in Australia.

The Real Estate Solutions Division provides tools for real estate agents, other property professionals and financial institutions. It provides an integrated platform for office administration, property sales and management applications, online advertising solutions and other business performance tools for real estate agents and data and valuation related services for financial institutions utilising Onthehouse's extensive database.