

## ASX Announcement

### Onthehouse to acquire The Ad Network, establishing Onthehouse as one of Australia's largest real estate media companies.

**Friday 12 October 2012:** Onthehouse Holdings Limited (OTH:ASX) today announced that it has entered into a formal agreement to acquire the Ad Network Pty Ltd trading as The Real Estate Ad Network.

#### Highlights:

- Onthehouse to acquire all of the shares in The Real Estate Ad Network on 24 October 2012
- The acquisition price is based on 5x the Ad Network's EBITDA contribution to the Onthehouse Group for FY14, with an initial upfront payment (being a combination of cash and scrip) which is credited against the earn out amount. The total maximum consideration is capped at \$2 million.
- The acquisition generates significant strategic benefits for both Onthehouse and The Real Estate Ad Network
- Establishes Onthehouse as one of Australia's largest and most unique real estate vertical media companies with a unique online audience estimated at in excess of 4 million per month
- The transaction is expected to be earnings accretive in FY13

Onthehouse is the market leader in Australia in the supply and management of real estate software, websites and online marketing solutions for real estate agencies and groups across Australia, with roughly half of every real estate agency in Australia as a client.

The Real Estate Ad Network has carved out a niche monetising websites for real estate agencies and groups and sharing that revenue with industry. It is the only company of its kind in Australia.

The Real Estate Ad Network has assembled an impressive network of real estate group media assets to establish it as one of Australia's leading real estate media networks. These groups consist of most of the major real estate brands in Australia, including LJ Hooker, Raine & Horne, First National, Barry Plant, Remax and Place Estate Agents.

The combination of the Onthehouse agency solutions, online assets and large scaling audience with the Real Estate Ad Network's established relationships with real estate groups and advertisers is a compelling value proposition.

Onthehouse Managing Director and CEO, Mr Michael Fredericks, said "We have enjoyed a prosperous working relationship with The Real Estate Ad Network over the last 12 months. It was a very logical and easy decision for Onthehouse to bring Beth O'Brien and her talented team at The Real Estate Ad Network "in-house".

"Beth O'Brien, CEO of The Real Estate Ad Network is a true digital specialist, who has an intimate knowledge of the Australian Real Estate vertical and established relationships with the varied stakeholders in this industry". We are thrilled to be adding Beth to our growing team of talented online real estate specialists, added Mr Fredericks.

The Real Estate Ad Network's, Beth O'Brien said "the power of joining Onthehouse's leading group of businesses is that we can not only deliver highly targeted advertising solutions for our advertisers, but we can also offer social media services, property data services, search and custom solutions for our real estate partners. ... it's a win win for both the advertiser and the Australian Real Estate Industry. No other competitor is positioned to offer a full service solution as we can. This is a real game changer for the Australian market."

Members of Onthehouse Holdings Ltd.



The transaction further supports Onthehouse's stated intention to "partner" with the leading real estate agencies and groups in Australia in order to drive greater efficiencies and now, to generate additional revenue, for them.

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#### **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 provides a platform of publicly available real estate websites underpinned by the [www.onthehouse.com.au](http://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, currently attracting more than 1.3 million unique browsers per month.

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.

#### **About Real Estate Ad Network**

REAN is a specialist digital real estate advertising representation network that secures the exclusive rights to sell third party advertising across Real Estate Agents' digital assets in the Asia Pacific region. REAN sells digital advertising solutions to advertising agencies that represent big brands and following the success of its Australian operations was awarded 35<sup>th</sup> fastest smart start up award in March 2011.

REAN was founded in 2008 by Beth O'Brien, formerly the Director of Business Development at Macquarie Network, Head of Business Development at ninemsn, Optus Interactive TV, Optus Mobile and News Interactive (News Ltd). Beth was also a finalist in the Telstra Young Business Woman of the Year in 2002.

For further information, please visit [www.realestateadnetwork.com.au](http://www.realestateadnetwork.com.au)