

ASX Announcement

Onthehouse announces its 2015 first half results

Thursday 26 February 2015: Onthehouse Holdings Limited (ASX: OTH) today announced its results for the six months ended 31 December (1H15), delivering stable revenue of \$13.0 million, while continuing to invest in the future growth of its Real Estate Solutions (RES) and Consumer Online and Data (COD) divisions.

Commenting on the 1H15 result, Onthehouse's Chairman, Mr Tony Scotton said: "The past six months have seen a number of challenges for the business and it is pleasing that the Board has worked through the issues and is now in a good position to drive the company's future growth. At the same time, we have continued to invest in the future of both our operating divisions."

"Statutory earnings for the first half has been impacted by a one off, non-cash intangible item following completion of the initial phase of the Board's strategic review. While this has impacted short term earnings, we have made significant operational progress, restructuring our business divisions to position the group for future growth."

Key financial results for 1H15

- Revenue of \$13.0 million (1H14: \$12.9 million)
- Statutory results; include \$269k of pre-tax one-off costs and \$10.5 million of pre-tax one-off intangible asset impairment charges:
 - EBITDA of \$2.8 million (1H14: profit of \$3.0 million)
 - Net loss after tax of \$9.1 million (1H14: profit of \$587k)
- Underlying results :
 - EBITDA of \$3.1 million (1H14: \$3.2 million)
 - Net profit after tax of \$93k (1H14: \$0.7m)
- Operating cash flow of \$1.8 million (1H14: \$3.0 million)

1H15 financial performance

Commenting on the company's 1H15 financial performance, Mr Scotton said:

"We saw stable earnings in both the Consumer Online and Real Estate Solutions divisions over the past six months, delivering \$13 million of revenue. This was in line with the trading update recently released, and has allowed us to continue reinvesting in both business divisions.

"Underlying earnings, as measured by EBITDA, were in line with last year and with the trading update released in February. The result was due to a small increase in revenue and a continued focus on reducing expenditures through a range of cost efficiency measures. The underlying net profit before tax of \$93k was also supported by a reduction in finance costs resulting from the repayment of debt.

"As a result of the initial phase of the Board's strategic review and delays in the Consumer Online division generating revenue, statutory earnings were overshadowed by one-off costs, primarily comprising a \$10.46 million non-cash impairment charge relating to the Group's intangible assets in its Consumer Online division.

“Nevertheless, the core business is cash generative, with stable revenues which support our growth in a dynamic environment. We remain in a solid position, with a closing cash balance of \$1.2 million at the end of the first half, even following significant investing and financing cash flows.”

Outlook

Commenting on the outlook for Onthefhouse, Mr Scotton said “Onthefhouse is uniquely positioned with a stable Real Estate Solutions business, and the earlier-stage Consumer Online division that has substantial upside.”

“We have strong relationships with numerous real estate agencies, and a continually scaling, highly engaged online audience. We have a clear set of short-term priorities to conserve cash, while continuing to drive the Real Estate Solutions segment through sales and service initiatives and product innovation. We will drive the Consumer Online division through enhanced consumer engagement, product development and additional revenue opportunities.

“I look forward to working with the new Board and management, to complete the strategic review and to continue with the development of both of our divisions.” added Mr Scotton.

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Financial information in addition to IFRS measures included in this announcement has been used for consistency and user readability. The financial measures have been derived from information contained in the financial statements.

About Onthefhouse Holdings Limited

Onthefhouse 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.onthefhouse.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 1.8 million unique visitors 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 Onthefhouse’s extensive database.