



**APPENDIX 4D
Half Year Report**

**Onthehouse Holdings Limited
ABN: 97 150 139 781**

Period ending 31 December 2013
Previous corresponding period: 31 December 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information

		Reporting Period \$A'000	Previous Corresponding Period \$A'000
Revenue from continuing operations	Increased 14% to	12,955	11,317
Profit/(loss) from continuing operations after tax attributable to members	Decreased 20% to	587	730
Net profit/(loss) for the period attributable to members	Decreased 20% to	587	730

Dividends

It is not proposed to pay any dividends for the period ended 31 December 2013.

Net Tangible Assets

	Current Period	Previous Period
Net tangible asset backing per ordinary security (cents)	(3.15)	(4.94)

This information should be read in conjunction with the most recent annual report and the Directors' report and the half year financial statements for the period. This report is subject to review.



Onthehouse Holdings Limited
ABN 97 150 139 781

Consolidated Half-Year Financial Report

31 December 2013

Onthehouse Holdings Limited
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For the Period Ended 31 December 2013

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The Directors present their report on Onthehouse Holdings Limited ("Onthehouse" or "the Company") and its subsidiaries ("the Group") for the financial half-year ended 31 December 2013.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Gail Pemberton (Chairman);
Michael Fredericks (Managing Director);
Warwick Face;
Diana Eilert (resigned 26 November 2013); and
Tony Scotton (appointed 18 February 2014).

Review of Operations

Onthehouse Holdings Limited continued to grow its top line over the half year ended 31 December 2013, with revenues up 14% to \$12.92 million (1H13: \$11.29 million).

Earnings were down slightly reflecting the company's strategic decision to continue to utilise its strong cash flows for growth investment back into the business with particular focus on the continued evolution of the Group's Real Estate Data platform and the Consumer Online business. As a result, statutory EBITDA was down 16% to \$2.97 million (1H13: \$3.53 million) and underlying EBITDA was down 12% to \$3.17 million (1H13: \$3.61 million).

The company continued to further strengthen its balance sheet given the continued strong cash flows generated from the business, with the cash balance up 40% to \$4.37 million (31 December 2012: \$3.11 million) and the company holding net cash of \$1.30 million at 31 December 2013.

Six months to	31 Dec 2013 \$'000	31 Dec 2012 \$'000	Period on Period Growth
Sales revenue [^]	12,924	11,287	+14%
EBITDA (unaudited)**	2,968	3,534	-16%
Transaction Costs* (unaudited)	204	72	
EBITDA excluding Transaction Costs (unaudited)	3,172	3,606	-12%
Net Profit after Tax	587	730	-20%
Cash Balance as at 31 December	4,365	3,106	+40%

[^] Excludes interest revenue \$30,000 (2012: \$30,000).

* Transaction costs incurred in respect of the acquisition of investments and potential investments.

** Information in addition to IFRS measures included in this report has been used for consistency with the prior periods and user readability. The measures have been derived from information contained in the financial statements. EBITDA equals net profit before tax \$25,000 (2012: \$773,000) plus depreciation and amortisation of \$2,626,000 (2012: \$2,569,000), loss on sale of assets of \$54,000 (2012: \$21,000), present value interest on contingent consideration of \$143,000 (2012: \$nil) and net financing costs of \$120,000 (2012: \$171,000).

Directors' Report

Onthehouse Holdings Limited

Division Performance	Revenue \$'000	EBITDA \$'000	Margin %	Depreciation & Amortisation (net of gain/loss on disposal) \$'000	Net Finance Costs \$'000	Profit Before Income Tax \$'000	Income Tax Expense \$'000	Net Profit \$'000
31 Dec 2013								
Real Estate Solutions	11,449	8,181	71%					
Consumer Online	1,475	(10)	(1%)					
Unallocated income/ (expenses)		(5,203)						
Total	12,924	2,968	23%	(2,680)	(263)	25	562	587
31 Dec 2012								
Real Estate Solutions	10,493	7,651	73%					
Consumer Online	794	74	9%					
Unallocated income/ (expenses)		(4,191)						
Total	11,287	3,534	31%	(2,590)	(171)	773	(43)	730

Real Estate Solutions revenue increased by 9% as we focus on our cross selling strategy while holding market share. Consumer Online revenue increased by 86% as momentum builds, traffic continues to scale and key banking relationships are strengthened.

The results reflect significant investment in building capability across a number of functional areas including media sales, customer service, product development, as well as infrastructure and corporate functions. The full impact of an increase of approximately 40% of the workforce, many of whom, were added in the second half of the last financial year, flowed through to earnings for the full six months of this financial year.

Dividends

The Company's strategic objectives continue to drive support from leading real estate agency groups and significant financial institutions. Internationally, there are comparative businesses that have been enjoying significant growth and market attention, providing a strong guide to the potential for Onthehouse to create substantial shareholder value.

With substantial growth opportunities available, and in order to leverage the Company's first mover advantage in Australia, the Board has resolved that the Company retain cash and maintain a low level of gearing to enable greater reinvestment in growth opportunities over the short term.

Accordingly, no dividend will be paid during the half year ended 31 December 2013 (2012: \$493,050 (0.6 cents per fully paid share) (100% franked)).

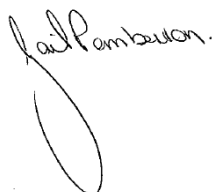
Auditor Independence and non-audit services

The directors received the declaration set out on page 5 from the auditor of Onthehouse Holdings Limited.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable and where noted (\$'000)) under the option available to the Company under ASIC CO 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors.



Gail Pemberton
Chairman

26 February 2014



Michael Fredericks
Managing Director

26 February 2014

Auditor's Independence Declaration

Onthehouse Holdings Limited



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Auditor's Independence Declaration to the Directors of Onthehouse Holdings Limited

In relation to our review of the financial report of Onthehouse Holdings Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Mike Reid
Partner
26 February 2014

Consolidated Statement of Comprehensive Income For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

	Note	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Revenue		12,955	11,317
Direct cost of sales		(814)	(534)
Data costs		(662)	(393)
Communications and IT infrastructure		(494)	(475)
Employee benefits expense		(6,082)	(4,298)
Advertising and marketing		(148)	(83)
Occupancy		(597)	(585)
Professional fees and insurance		(652)	(836)
Motor vehicle and travel		(234)	(193)
Other expenses		(274)	(302)
Financing costs		(150)	(201)
Present value interest expense	7	(143)	-
Amortisation	5	(2,446)	(2,438)
Depreciation		(180)	(131)
Profit/(loss) on disposal of assets		(54)	(21)
Share of profit/(loss) of joint operations		-	(54)
		(12,930)	(10,544)
Profit before income tax expense		25	773
Income tax benefit/(expense)	4	562	(43)
Profit for the period		587	730
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		107	6
Other comprehensive income for the year, net of tax		107	6
Total comprehensive income for the year		694	736
Profit is attributable to:			
Owners of Onthehouse Holdings Limited		587	730
Total comprehensive income/(loss) is attributable to:			
Owners of Onthehouse Holdings Limited		694	736
Earnings per share attributable to ordinary equity holders of the parent:		31 Dec 2013 Per Share	31 Dec 2012 Per Share
Basic (cents per share)		0.71	0.89
Diluted (cents per share)		0.71	0.89

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

**Consolidated Statement of Financial Position
For the Half-Year Ended 31 December 2013**

Onthehouse Holdings Limited

	Note	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Current Assets			
Cash and cash equivalents		4,365	4,187
Trade and other receivables		2,849	2,682
Income tax refundable		35	26
Other assets		489	306
Total current assets		7,738	7,201
Non-Current Assets			
Property, plant & equipment		1,268	1,096
Intangible assets	5	65,522	66,287
Total non-current assets		66,790	67,383
Total assets		74,528	74,584
Current Liabilities			
Trade and other payables		2,196	2,002
Borrowings	6	1,987	2,365
Provisions	7	2,221	709
Deferred revenue		1,773	1,680
Total current liabilities		8,177	6,756
Non-Current Liabilities			
Borrowings	6	1,075	1,477
Deferred tax liabilities		2,157	2,720
Provisions	7	185	1,402
Total non-current liabilities		3,417	5,599
Total liabilities		11,594	12,355
Net assets		62,934	62,229
Equity			
Contributed equity		64,161	64,161
Reserves		3,860	3,155
Accumulated losses		(5,087)	(5,087)
Total equity		62,934	62,229

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

	Contributed equity	Share based payments reserve	Foreign currency translation reserve	Profits reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 Jul 2012	63,911	311	11	2,141	(5,087)	61,287
Profit for the period	-	-	-	730	-	730
Other comprehensive income for the period	-	-	6	-	-	6
Total comprehensive income for the period	-	-	6	730	-	736
Contributions of equity	250	-	-	-	-	250
Dividends paid	-	-	-	(493)	-	(493)
Share based payments	-	96	-	-	-	96
Balance at 31 Dec 2012	64,161	407	17	2,378	(5,087)	61,876
Balance at 1 Jul 2013	64,161	399	100	2,656	(5,087)	62,229
Profit for the period	-	-	-	587	-	587
Other comprehensive income for the period	-	-	107	-	-	107
Total comprehensive income for the period	-	-	107	587	-	694
Share based payments	-	11	-	-	-	11
Balance at 31 Dec 2013	64,161	410	207	3,243	(5,087)	62,934

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash flow
For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

	Note	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Cash flows from operating activities			
Receipts from customers		14,144	12,606
Payments to suppliers and employees		(10,989)	(8,836)
Interest received		30	30
Finance costs		(131)	(218)
Income taxes paid		(10)	(30)
Net cash from operating activities		3,044	3,552
Cash flows from investing activities			
Payments for software and data intangibles	5	(1,681)	(1,024)
Payments for acquisition of subsidiaries, net cash acquired		-	(3,604)
Payments for plant and equipment		(434)	(437)
Proceeds from disposal of plant and equipment		28	-
Net cash (used in) investing activities		(2,087)	(5,065)
Cash flows from financing activities			
Proceeds from borrowings		286	2,839
Repayment of borrowings		(1,065)	(793)
Dividends paid	9	-	(493)
Net cash from financing activities		(779)	1,553
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the reporting period		4,187	3,066
Cash and cash equivalents at the end of the reporting period		4,365	3,106

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

1. CORPORATE INFORMATION

Onthehouse Holdings Limited (“the Company”) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The consolidated financial report of the Company for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 26 February 2014.

The Group operates a real estate content platform aggregating real estate data from the Group’s operating divisions and external sources, including State & Territory governments. The business divisions operated by the Group consist of:

Real Estate Solutions

The Real Estate Solutions Division provides tools for real estate agents, other property professionals and financial institutions to effectively run their businesses. It provides a platform for office administration, property sales, property information and management applications. The product offering includes software solutions for real estate agents, business performance tools for data and valuation related services that utilise Onthehouse’s extensive databases and intellectual property.

Consumer Online

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 division generates its revenue from advertising fees, corporate sponsorships and products offered to the retail and end-user market.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Both the functional and presentation currency of the Group is Australian dollars.

Basis of preparation

The interim condensed consolidated financial statements for the half-year ended 31 December 2013 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 30 June 2013.

The Group has adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current half-year. This adoption has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for the current or prior half-years.

Going concern

As at 31 December 2013, the Group has an excess of current liabilities over current assets of \$439,000 which includes deferred revenue of \$1,773,000. The financial report has been prepared on a going concern basis as the directors believe that the Group will continue to generate operating cash flows.

Notes to the Financial Statements For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

3. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Board of Directors (the Chief Operating Decision Maker) for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocation to operating segments.

The operating segments are identified in current year and the comparative numbers have been presented accordingly.

(a) Description of segments

The Group principally operates in two business segments: namely Real Estate Solutions and Consumer Online and are predominantly conducted with the Australian market with smaller operations in New Zealand.

Real Estate Solutions

The Real Estate Solutions Division provides tools for real estate agents, other property professionals and financial institutions to effectively run their businesses. It provides a platform for office administration, property sales, property information and management applications. The product offering includes software solutions for real estate agents, business performance tools for data and valuation related services that utilise Onthehouse's extensive databases and intellectual property.

Consumer Online

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 division generates its revenue from advertising fees, corporate sponsorships and products offered to the retail and end-user market.

3. OPERATING SEGMENTS continued

(b) Segment analysis

Half-Year ended 31 December 2013

	Real Estate Solutions \$'000	Consumer Online \$'000	Total \$'000
Segment revenue			
Sales to external customers	11,449	1,475	12,924
Total revenue	11,449	1,475	12,924
Segment EBITDA	8,181	(10)	8,171
Unallocated data costs			(1,174)
Unallocated occupancy costs			(825)
Unallocated IT infrastructure and communications			(487)
Unallocated corporate costs			(2,513)
Other unallocated income/(expenses)			(204)
Depreciation and amortisation*			(2,680)
EBIT			288
Interest revenue			30
Finance costs			(293)
Profit before income tax			25
Income tax benefit/(expense)			562
Profit for the half-year			587

**net of gain or loss on disposal of property, plant and equipment*

3. OPERATING SEGMENTS continued

(b) Segment analysis continued

Half-Year ended 31 December 2012

	Real Estate Solutions \$'000	Consumer Online \$'000	Total \$'000
Segment revenue			
Sales to external customers	10,493	794	11,287
Total revenue	10,493	794	11,287
Segment EBITDA	7,651	74	7,725
Unallocated data costs			(807)
Unallocated occupancy costs			(776)
Unallocated IT infrastructure and communications			(387)
Unallocated corporate costs			(2,168)
Other unallocated income/(expenses)			(53)
Depreciation and amortisation*			(2,590)
EBIT			944
Interest revenue			30
Finance costs			(201)
Profit before income tax			773
Income tax (expense)/benefit			(43)
Profit for the half-year			730

*net of gain or loss on disposal of property, plant and equipment

Segment assets

There has been no material change in the allocation of segment assets compared to the Group's consolidated financial statements as at and for the year ended 30 June 2013.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

4. INCOME TAX

	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Income tax expense		
Current tax	1	36
Deferred tax	(69)	72
Over provision prior years (recognition of R&D tax offset)	(494)	(65)
Income tax (benefit)/expense	(562)	43
Numerical reconciliation of income tax expense to prima facie tax		
Profit before income tax	25	773
Tax at the Australian tax rate of 30% (2012: 30%)	8	232
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Adjustment in respect of previous years	(494)	(65)
- Share-based payments expense	3	29
- Other non-deductible expenses	119	40
- R&D offset (current period)	(198)	(193)
Income tax (benefit)/expense	(562)	43

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013
Onthehouse Holdings Limited

5. INTANGIBLE ASSETS

	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Software development – at cost	14,470	13,061
Accumulated amortisation	(5,316)	(4,108)
	9,154	8,953
Data – at cost	5,062	4,955
Accumulated amortisation	(1,058)	(807)
	4,004	4,148
Customer contracts and relationships– at cost	14,270	14,270
Accumulated amortisation	(5,613)	(4,803)
	8,657	9,467
Other intangibles – at cost	972	972
Accumulated amortisation	(532)	(520)
	440	452
Goodwill	43,267	43,267
	65,522	66,287

Movement in intangible assets during the financial half-year were as follows:

	Software \$'000	Data \$'000	Customer contracts & relationship \$'000	Other Intangibles \$'000	Goodwill \$'000	Total \$'000
Balance at 1 Jul 2012	6,546	2,388	10,545	551	39,588	59,618
Additions	1,024	-	-	-	-	1,024
Acquisition of subsidiaries	2,253	2,118	973	98	3,679	9,121
Amortisation	(998)	(189)	(958)	(105)	-	(2,250)
Balance at 31 Dec 2012	8,825	4,317	10,560	544	43,267	67,513
Balance at 1 July 2013	8,953	4,148	9,467	452	43,267	66,287
Additions	1,574	107	-	-	-	1,681
Amortisation	(1,373)	(251)	(810)	(12)	-	(2,446)
Balance at 31 Dec 2013	9,154	4,004	8,657	440	43,267	65,522

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

6. BORROWINGS

	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Current		
Commercial bill	1,590	2,090
Equipment finance facility	388	266
Lease liabilities – secured	9	9
	1,987	2,365
Non-current		
Commercial bill	610	1,030
Equipment finance facility	443	420
Lease liabilities – secured	22	27
	1,075	1,477

Westpac Banking Corporation (“Westpac”) has provided the Group with the following facilities:

	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Commercial bill facility	750	1,250
Commercial bill facility	1,450	1,870
Equipment finance facility	831	686
Credit standby facility	1,040	458
Total used	4,071	4,264
Facility limit	4,138	4,672
Total undrawn	67	408

The two equipment finance facilities; the first has a principal outstanding of \$554,000 and has a term expiring in November 2015 with repayments (principal and interest) of \$26,000 on a monthly basis. The second has a principal outstanding of \$277,000 and has a term expiring in May 2016 with repayments (principal and interest) of \$10,000 on a monthly basis.

There are two commercial bills; the first has a principal outstanding of \$750,000 and has a term expiring in May 2014 (by which time it will be fully repaid). The second has a principal outstanding of \$1,450,000 and has a term expiring in September 2015 with principal repayments of \$210,000 on a quarterly basis.

The credit standby facility is currently utilised as banker’s undertakings/guarantees. These guarantees are not included in the statement of financial position (off-balance sheet).

The facilities are secured by floating registered circulating charge over the Company, its subsidiaries and all assets and uncalled capital. The facilities are subject to ongoing covenants relating to interest coverage ratio, debt coverage ratio and gearing, and are also subject to annual and quarterly monitoring. Onthehouse Holdings Limited has complied with the financial covenants during the reporting period.

Lease liabilities are effectively secured as the rights to the relevant assets revert to the lessor in the event of default.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

7. PROVISIONS

	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Current		
Employee benefits	663	573
Make good	95	82
Lease incentives, rent free liabilities and straight line leasing	23	54
Contingent consideration	1,440	-
	2,221	709
Non-current		
Employee benefits	113	84
Lease incentives, rent free liabilities and straight line leasing	72	21
Contingent consideration	-	1,297
	185	1,402

As at the acquisition date, the fair value of the contingent consideration was estimated to be \$1,297,000 which was discounted to its present value. The movement in the contingent consideration provision due to the period is due to the unwinding of the present value discount in the amount of \$143,000. The contingent consideration is payable no later than 1 October 2014, 50% of which may be settled through the issue of share capital in the Group.

8. CONTRIBUTED EQUITY

	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Share capital		
82,174,927 (30 June 2013: 82,174,927) fully paid ordinary shares	64,161	64,161

Movements in ordinary share capital	Number of shares	\$'000
Balance – 1 July 2013 and 31 December 2013	82,174,927	64,161

9. DIVIDENDS

	31 Dec 2013 \$'000	31 Dec 2012 \$'000
No dividends have been declared or paid during the period (2012: \$493,050 (0.6 cents per fully paid share) (100% franked))	-	493

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

10. FINANCIAL INSTRUMENTS

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2013.

Fair values

The carrying values of financial assets and liabilities approximate their fair values.

Fair value hierarchy

Fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The table below outlines the financial instruments measured at fair value. The different levels have been defined as follows:

- Level 1 the fair value is calculated using quoted prices in active markets
- Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data

	31 Dec 2013	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Contingent consideration	1,440	-	-	1,440

There were no movements between levels of fair value hierarchy during the six months ended 31 December 2013.

As part of the purchase agreement with the previous owners of The Ad Network Pty Ltd, a portion of consideration was determined to be contingent, based on the performance of the acquired entity. The contingent consideration is due to be paid in October 2014.

	\$'000
Initial fair value of the contingent consideration at acquisition date	1,297
Fair value adjustment as at 31 December 2013 (present value interest expense)	143
Financial liability for the contingent consideration as at 31 December 2013	1,440

The fair value of the contingent consideration has been determined using a discounted cash flow analysis using expected future cash flows. The valuation requires management to make certain assumptions about unobservable inputs to the model as disclosed below.

Unobservable input	Assumption
Discount rate	8%

A change in unobservable inputs would not make a significant impact on the fair value of the contingent consideration.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

Onthehouse Holdings Limited

10. FINANCIAL INSTRUMENTS (continued)

A key input in the calculation of the contingent consideration is the EBITDA of the Ad Network Pty Ltd business. In particular, the contingent consideration will be calculated as 5 times the EBITDA attributable to The Ad Network Pty Ltd business less the upfront payment of \$500,000, capped at \$1,500,000.

A change in the EBITDA of The Ad Network Pty Ltd business of - 5% would not have a material impact on the Group. A change of +5% will have no impact on the Group as the contingent consideration is capped.

Adjustments to the contingent liability from acquisition to the reporting date have been recognised in the statement of profit or loss.

11. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities not otherwise disclosed in the accounts.

12. EVENTS AFTER THE REPORTING DATE

No matter of circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in subsequent financial years.

Directors' Declaration
Onthehouse Holdings Limited

In accordance with a resolution of the Directors of Onthehouse Holdings Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of Onthehouse Holdings Limited for the financial half-year ended 31 December 2013 are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Company's financial position as at 31 December 2013 and performance for the half-year ended on that date;
 - ii. Complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Gail Pemberton
Chairman

26 February 2014



Michael Fredericks
Managing Director

26 February 2014



Ernst & Young
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Independent auditor's review report

To the members of Onthehouse Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Onthehouse Holdings Ltd, which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Onthehouse Holdings Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Onthehouse Holdings Ltd is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Mike Reid'.

Mike Reid
Partner
Brisbane
26 February 2014