

ASX Announcement | 11 August 2014

Freelancer delivers continued strong revenue growth in the first half of 2014

Freelancer Limited (ASX:FLN) today announced its financial result for the first half of the 2014 financial year (1H FY14).

For the period, the company reported a record total revenue of \$11.9 million, up 41% compared to the prior corresponding period in FY13 (pcp), and Gross Payment Volume of \$49.5 million (up 30% on pcp).

In line with its strategy of re-investing for top-line growth, the company expanded its international footprint and increased its investment in talent in 1H FY14. As a result of the accelerated re-investment in future growth, the company reported an operating net loss after tax of \$0.6 million and operating EBITDA loss of \$0.8 million¹.

Results overview²

A\$m, Half-year ended 30 June	1H FY13	1H FY14	Growth on pcp
Net Revenue	\$8.5m	\$11.9m	+41%
Gross Payment Volume ³ (unaudited)	\$38.1m	\$49.5m	+30%
Take rate ⁴ (%)	22.2%	24.0%	+8%
Operating EBITDA ¹	\$0.6m	\$(0.8)m	n/m
Operating EBIT ¹	\$0.5m	\$(0.9)m	n/m
Operating NPAT ¹	\$0.5m	\$(0.6)m	n/m
New registered users, total (unaudited)	1.2m	2.8m	+138%
New registered users, organic (unaudited)	1.2m	1.8m	+54%

Commenting on the half-year result, Freelancer's CEO and Chairman Matt Barrie said, "The half-year results are extremely pleasing, with all key metrics in the online marketplace growing strongly and all categories of work within the marketplace performing well. The record revenue result is a measure of this performance as a whole. We have continued to focus on re-investment in key areas of the business such as product development to drive future growth in the company's broader marketplace offering and executing on strategic acquisitions where appropriate."

According to Mr Barrie, Freelancer's operational and strategic highlights during 1H FY14 included:

- New registered user growth, up 54% on pcp (excluding acquired users)
- Growth in projects and contests posted, up 30% on pcp
- Expansion of international footprint, including expansion of Manila premises and new Vancouver & London offices

¹ Operating earnings are exclusive of non-cash share based payments expense of \$125k in 1H FY14.

² Unless otherwise indicated, the numbers contained in this release are derived from the auditor reviewed Interim Financial Report for the half-year ended 30 June 2014.

³ Gross Payment Volume (GPV) is calculated as the total payments to Freelancer users for products and services transacted through the Freelancer website plus total Freelancer Revenue.

⁴ Calculated as Freelancer Revenue / GPV.



- Increased investment in headcount, with average FTEs up approximately 18% since Dec-13
- Acquired the leading pure-play online services marketplace in Poland, zlecenia.przez.net
- Acquired a virtual content marketplace, fantero.com
- Acquired the world's largest Internet marketing marketplace & community, Warrior Forum
- Launched Freelancer Messenger App for Android & Android Wear

Commenting on the state of the online outsourcing and crowdsourcing services industry, Mr Barrie added, "The industry fundamentals behind what will be a global revolution in the way that we do work remain strong. We continue to believe that it is inevitable that a global marketplace for services will emerge, that will be of a similar size and scale as global marketplaces for products like eBay, Amazon and Alibaba." he said.

"Freelancer is uniquely positioned to become this marketplace, and we are striving towards that goal," Mr Barrie concluded.

Commenting on expectations for the remainder of the year, Mr Barrie added, "We are continuing to focus on improving scalability, strengthening the team, and expanding the marketplace offering. We will continue to focus on innovative product development, such as expanding our mobile offerings, and will continue to expand across regional and multilingual markets, and across job categories. The company expects strong growth to continue for the foreseeable future."

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For further information please contact:

Investor Relations:

Brone Roze, Director of Finance

M: +61 415 726 546

E: brone@freelancer.com

Media:

Nikki Parker, Regional Director – North America, Australia & New Zealand

M: +61 427 173 025

E: nikki@freelancer.com

About Freelancer

Quadruple Webby award-winning Freelancer.com is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. Over 12.6 million registered users have posted 6.3 million projects and contests to date in over 700 areas as diverse as website development, logo design, marketing, copywriting, astrophysics, aerospace engineering and manufacturing. Freelancer Limited is listed on the Australian Securities Exchange under the ticker ASX:FLN.