



ADEFFECTIVE LIMITED
(ASX: ABN)

ASX and Media Release

29 April 2011

AdEffective Limited – Quarterly Cash Flow Statement (Appendix 4C) for quarter ended 31 March 2011

AdEffective Limited (ABN or the Company) presents its consolidated Quarterly Report for the period ended 31 March 2011.

During the period, the Company further developed and marketed its newly launched Footar and Yieldom products. Footar started operating in India but faced some initial teething issues which have now been resolved. Footar also recently commenced operating in the US and is now active on approximately 1000 websites.

Yieldom is currently active on 1000's of URL's and is growing daily (at a current rate of one new URL added to the platform every 8 seconds). The platform continues to be further refined and there appears to be strong interest in the product at this early stage.

During the period, the Company also announced a marketing services agreement to deliver more users and more revenue to its owned and operated websites. Revenue from this agreement has not met expectations; however the Company expects the agreement will perform during the current quarter (noting that the Company only has to pay for these services from profits generated from the agreement as announced).

Total sales revenue for the period was up 4% from the previous quarter. Net operating cash flows were down 40% to (\$119k), the lowest since the re-structuring of the Company. These costs are being continually monitored to ensure that they are appropriately aligned with the Company's revenue. The Company had previously indicated that it expected it would become profitable during the March quarter, and while the Company came close to achieving this in the last month of the quarter, overall the result was not achieved for the quarter due to the above-mentioned issues surrounding the marketing services agreement and various technical issues that were outside the Company's control.

The Directors continue to focus on ensuring that the Company takes appropriate and timely action to ensure that it is able to meet its current and future financial obligations as and when they fall due.

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For further information contact:

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About AdEffective Limited

AdEffective is an online advertising business focusing on the distribution of search advertising to publishers and publisher networks and more recently, on the design and development of innovative new platforms and technologies in the online advertising space to help improve advertiser ROI and generate more revenue for its publisher partners.

<http://www.adeffective.com>

About Footar

Footar is a fully customisable platform for delivery of 'digital' search, content and advertising. Launched via java-script, Footar is fixed to the base of a web browser, so it is always above the fold.

The Footar platform is easy to integrate into any site and delivers dynamic, targeted, interactive content and/or advertising with click through rates as high as 10x regular banner advertising.

<http://www.footar.com>

About Yieldom

Yieldom is a wholly owned technology of AdEffective Limited, a publicly listed Australian company on the Australian Securities Exchange (ASX:ABN).

Yieldom is a complete turnkey solution for parked domains, allowing domain name managers/owners to manage all aspects of their domains and client portfolio domains. With editorial control, baked in advertising/revenue generation and reporting, Yieldom takes the hard work out of domain portfolio management.

Yieldom generates revenue for its partners through a variety of Tier 1 & 2 advertising sources and AdEffective's recently announced Footar platform.

<http://www.yieldom.com>

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

AdEffective Limited

ABN

93 085 545 973

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	476	1,661
1.2 Payments for		
(a) staff costs	(139)	(835)
(b) advertising and marketing	(12)	(42)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(438)	(1,615)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	(9)
Net operating cash flows	(112)	(837)

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(112)	(837)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(112)	(837)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	207	507
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Capital raising costs	-	(61)
Net financing cash flows	207	446
Net increase (decrease) in cash held	95	(391)
1.21 Cash at beginning of quarter/year to date	185	576
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	280	185

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	50
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities: Equity & convertible note facility	5,000	-
3.2	Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	280	185
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) (cash held in a separate bank account to secure a bank guarantee in respect of leased office accommodation)	-	-
Total: cash at end of quarter (item 1.23)	280	185

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Authorised for electronic lodgement by **Dean Jones, Managing Director**
 29 April 2011

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a)- policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.