



ADEFFECTIVE LIMITED
(ASX: ABN)

ASX and Media Release

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AdEffective Market Update

- **AdFeed business continues to grow globally**
- **New Footar business successfully commercialised**
- **Products rationalised to focus resources**

AdEffective Limited (ABN or the Company) is pleased to provide a market update on its online advertising platforms including new platforms, Footar and Yieldom.

Following the market testing of Footar and Yieldom over the last 6 months the Board has determined that the Footar platform and the Company's traditional AdFeed business have the greatest potential for generating significant revenues in the short term and beyond. Accordingly these products have been given the highest priority for resource deployment and market development.

Footar has been exceptionally well received globally by ABN's clients and partners. The product recently commenced operations in the US and is now active on approximately 1000+ websites. With the confidence of this market acceptance and endorsement, the Company has increased market development to acquire a substantially greater number of customers and websites for the Footar platform that are expected to further increase its global coverage and revenues dramatically.

The syndicated online advertising business (AdFeed) in which the Company has a partnership with Yahoo globally in 16 countries across four continents, continues to be the Company's main source of current revenue and presents further opportunities to increase those revenues, particularly through further expansion into North America and Europe. The Company intends to rapidly develop these new markets while continuing to expand the growth of its existing markets. ABN has implemented a program to significantly improve client online advertising revenue yields and to attract new partners to the Company's syndicated advertising feeds.

As part of the strengthened focus on the Footar and AdFeed businesses and to ensure the maximum return on available resources, the Board has conducted a strategic review of all operations and several initiatives have been adopted.

Further development and marketing of the Yieldom platform (a domain name monetization product launched in early 2011), has been deferred and certain contracts with partners for this product, have been terminated. Management will conduct a further 6 month review of this product to determine whether an appropriate rate of investment return can be achieved and marketing synergies with AdFeed and Footar adopted, before any further product development and expenditure is undertaken.

Further product rationalization initiatives will include the divestment of the assets of "Mp3.com.au"; "TheScene"; and "NiceShorts" businesses. These assets (purchased in May 2010), were originally

intended to supplement the digital music division of the Company. The current Board considers, however, that the high levels of competition and decreasing margins within that sector, renders them of low commercial value to ABN.

The Board believes these initiatives will enable the Company and management to remain focused on the further growth of the successful AdFeed and Footar businesses and ensure the maximisation of the return to shareholders.

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About AdEffective Limited

AdEffective is an online advertising business that provides Publishers and Publisher Networks with enhanced search advertising exposure to increase their rate of return on advertising.