



ADEFFECTIVE LIMITED
(ASX: ABN)

ASX and Media Release

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AdEffective Market Update

- AdFeed Business remains steady
- Footar gaining market momentum, signs multiple major Publishers and Advertisers
- AdEffective / Affinity Cross Licensing Agreement commences
- New Business Opportunities to be assessed

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

The syndicated online advertising business (AdFeed) in which the Company has a partnership with Yahoo globally in 16 countries across four continents, continues to provide steady revenues for the organisation. However, due to a number of new requirements from major advertising provider Yahoo, the Company has shifted focus in recent months to improving the quality of Publisher Websites in its Network.

In the last three months the Company has implemented strategies to remove low quality and non-converting traffic from its search network, which has led to a decrease in the total search ads being displayed. In addition, the Formal Marketing Agreement with Excite Digital Media was terminated and the services previously provided by Excite Digital and now undertaken in-house at a reduced cost.

Footar continues to be received exceptionally well globally by ABN's clients and partners. Since the commencement of the Platform Publisher Agreement (PPA) with The Rubicon Project Incorporated (Rubicon) in July 2011, Footar have signed with a number of major US website Publishers and US Advertising Partners. In recent months the Company has also signed up a number of companies operating significant website portfolios such as Digi Mogul (UsBuildersDigest.com, DirectorsLive.com), 3H Group (OasisActive.com) and Themis Media (EscapistMagazine.com).

With the completion of a Cross Licensing Agreement with Hostway, the integration of current Footar Technology with Hostway's 'InFootar' technology has commenced and it is estimated the process of integration of both technologies will be completed by early November, 2011. As part of the agreement, the Footar division will gain access in total to 25,000+ websites.

With new partners coming on board on a weekly basis, it is expected, based on current projections, that the Footar Ad Unit will provide 250 Million Ad Impressions per month by end December 2011, leading to a significant increase in sales for the Footar Division. The Company expects revenues associated with the Footar Division to be on par with the AdFeed division in Q2, 2012.

A number of Advertising Partners for the Footar Ad Unit have also been signed to provide premium Advertising opportunities for premium advertising partners to the Footar Publisher Network.

As part of its ongoing strategic review the Company continues to examine several opportunities to diversify the current business offerings. The Company will most likely consider a capital raising in the near future to both support the existing businesses and to participate in potential new opportunities the Board considers will add real value to the current organisation and shareholder returns.

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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.