



Chief Executive Officer's Presentation 2012 Annual General Meeting

Damian London, Chief Executive Officer
AdEffective Limited

AdEffective Limited's Business

AdEffective Limited operates businesses in the digital media sector in three principal areas:

1. **Search and Text Advertising** – The Company sources, aggregates and syndicates search and text advertising.
2. **Display and Video Advertising** – The Company sources, aggregates and syndicates Display and Video advertising. This includes distribution of the Footar Ad Unit.
3. **Technology** – The Company has recently commenced licensing its technology and now provides white label solutions for both Search and Display Syndication.

The Company operates two major divisions:

1. **Footar** – Distribution of the Footar Ad Unit. Footar is a fully customisable 'digital' search, content and advertising delivery platform which is launched via java-script, and fixed to the base of a web browser.
2. **AdFeed** – Distribution of search and text advertising.

AdEffective Limited's – Footar / Display

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for May and June 2013



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Tour in Dubai



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Shows to Promote Debut

  **NEW DESIGNS DAILY!**

 **DELIVERED** **SAVE \$180**



AdEffective Limited's – AdFeed

ORANGE Web Search

car sales

SEARCH

sponsored listings



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Mazda - Official Website

Locate Your Nearest Mazda Dealer For Great Offers on the Mazda Range
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Holden's Amazing Rates

Hurry into your Holden Dealer to get an Unmissable Rate. Ends soon
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New Audi Official Site

Book Your Audi Test Drive Today & Experience The Luxury of Audi.
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Carsales.com.au

Buy Your Next Car The Fast Way on Australia's No. 1 Car Website

AdEffective Limited – How we make money

- We are the broker - we source and distribute advertising to our network of partner websites; our technology is the engine which allows us to operate.
- Network: Footar alone has 165 websites, AdFeed has 500+ websites.
- Over 830 million advertising impressions are delivered every month* through our advertising network across 20+ countries.
- 1.5 billion+ advertising impressions are available in our network every month*.
- Ads supplied from companies such as Yahoo, OpenX, Rubicon.

*Average ad impressions per month July-October 2012

AdEffective Limited – Results FY2012

ADEFFECTIVE LIMITED & CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Consolidated 30 June 2012 \$	Consolidated 30 June 2011 \$
Revenue			
Sales revenue		2,620,459	2,132,559
Other income		11,376	6,055
		<u>2,631,835</u>	<u>2,138,614</u>
Direct costs		<u>(1,696,356)</u>	<u>(1,321,464)</u>
Gross profit		935,479	817,150
Employee benefits expense		(590,224)	(1,086,046)
Administrative expenses		(531,356)	(593,300)
Depreciation and amortisation expenses		(180,915)	(209,545)
Impairment of goodwill, intangibles and plant & equipment expense	5,6	(983,088)	-
Write off of Fumeaux facility fee		(175,000)	-
Finance costs		(124,838)	(34,086)
Loss before income tax		<u>(1,649,942)</u>	<u>(1,105,827)</u>
Income tax benefit		-	-
Loss for the year attributable to members		<u>(1,649,942)</u>	<u>(1,105,827)</u>
Other Comprehensive Income		-	-
Total Comprehensive loss for the year		<u>(1,649,942)</u>	<u>(1,105,827)</u>
Earnings per share (cents per share)	3		
- Basic and diluted loss per share		(1.35)	(1.12)

AdEffective Limited – Results FY2012

- Revenue for the year - \$2,620,459 (compared to \$2,132,559 in FY11).
- Net loss for the year - \$1.65 million (impairment, finance, write off costs totaling \$1.283 million).
- AdFeed FY12 - EBITDA \$460K Profit (Net Profit \$112K).
- Footar FY12 - Net loss for FY12 - \$90K .
- Operating costs - FY12 Employment expenses \$590K (compared to \$1.1 million in FY11).
- The Company has successfully completed the reconstruction of its business around online advertising, settled several outstanding matters, recapitalised the Company, eliminated debt, remained debt free, and completed initiatives to reduce operating costs.
- The Company undertook a stabilisation process in FY12. This involved ensuring costs were kept to a minimum and organic growth remained a focus.

AdEffective Limited – Recent Significant Events

- **Jan 2012** – Sophie Karzis joins the Board
- **Feb 2012** – Completion of share consolidation
- **Apr 2012** – Completion of rights issue, retirement of debt
- **Jun 2012** – Footar performs strongly in Q4, 2012
- **Jun 2012** – Company signs first technology licensing agreement, introduced direct display advertising syndication
- **Oct 2012** – Company records cash inflows of \$120K in Q1, FY13
- **Nov 2012** – Mark Goulopoulos joins the Board
- **Nov 2012** – Company remains committed to organic growth and continues to seek acquisition(s)
- **Nov 2012 – First 1/2 FY 2013** – Expecting to achieve a close to break even position

Moving Forward in 2013

- Continue to focus on current online advertising divisions, Footar and AdFeed
- Seek additional advertising suppliers and partners for both AdFeed and Footar divisions
- Further develop display syndication opportunities
- Seek acquisitions

*-Damian London, Chief Executive Officer
AdEffective Limited*