



ADEFFECTIVE LIMITED
(ASX: ABN)

ASX and Media Release

22 April 2013

Creation of “Ecommerce division” and Acquisition of EzyDirect.com.au

- **Creation of Ecommerce division**
- **To acquire EzyDirect.com.au - Online Ecommerce store specialising Electronics and Office Supplies**
- **FY12 \$450K Total Revenue**
- **Currently reviewing acquisition of a number of Ecommerce Websites.**

AdEffective Limited (**ABN** or the **Company**) is pleased to announce it has signed a Letter of Intent and Term Sheet to acquire select website and business assets of Ecommerce business EzyDirect (**EzyDirect**).

EzyDirect is an online ecommerce store established in 2006, specialising in electronics and office supply products. EzyDirect generated over \$450,000 in Revenue for FY12 and has access to over 16,000 sales items through a network of suppliers. Between the years of 2007-2011 the EzyDirect websites generated revenues in excess of \$600,000 each year.

Since its inception, over 12,000 customers have sourced goods from EzyDirect websites.

The Letter of Intent and Term Sheet contemplates the parties entering into a formal Asset Purchase Agreement, which is currently being documented. The proposed acquisition will take effect on completion of the formal agreement and achieving set targets as documented in the Letter of Intent and Term Sheet.

The parties have agreed that ABN will acquire select assets of EzyDirect based on set revenue goals, with a consideration of up to \$54,000 based on the acquired business achieving revenues of \$60,000 per month within three months.

The primary EzyDirect website, Ezydirect.com.au, will be incorporated into the Company's new Ecommerce division. The Footar and AdFeed businesses will assist this new division with the provision of marketing and technology services to both support further acquisitions and create new online businesses specialising in transaction-based website revenue generation.

The Company is also in discussions with the owners of a number of other Ecommerce web businesses that have the potential to further bolster the new Ecommerce division.

It is envisaged that the acquisition of one or more Ecommerce businesses along with the EzyDirect business would be funded out of current cash reserves and/or the issue of ordinary shares.

Creation of Ecommerce division

The acquisition of EzyDirect will form the base for the creation of a new AdEffective Ecommerce division. Online consumer ecommerce and e-tailing is growing at 12% pa and expected to be worth \$37.7 billion by 2013*. The new Ecommerce division will sit alongside the current AdFeed and Footar businesses. The Company's creation of an Ecommerce division is a natural extension of its existing businesses and is being developed with minimal additional capital expenditure and resources.

Chief Executive Officer Damian London said, "The development of a New Ecommerce division and the acquisition of EzyDirect provide AdEffective a new opportunity to generate significant revenues through online sales and transactions.

The acquisition of EzyDirect provides AdEffective with an asset to commence growing an Ecommerce division within the Company which will be supported by current AdEffective technology and marketing capabilities.

The Company remains committed to organic growth of its existing core businesses, creation of its new Ecommerce division as well as continuing to seek new opportunities to further diversify current business offerings in the near future and will invest funds into creating and acquiring new revenue streams to increase overall Company income."

-ENDS

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*Source: <http://www.ecommercereport.com.au/australian-online-commerce-to-hit-37billion-by-2013/>

About AdEffective Limited

AdEffective is an online advertising business focusing on the distribution of advertising to publishers and publisher networks.

AdEffective has also formed a new Ecommerce and Website division which will acquire and create online stores and transaction based websites.

<http://www.adeffective.com>