

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

### Commentary on activities during the Quarter ending 31 December 2012

- The Company provided its last market update on 20 December 2012. Following is some commentary on the quarterly report. The next Company update will be provided at the end of February 2013 with the Half Year Results.
- The actual cash outflow for the 3 months to 31 December 2012 was **\$1.5m**, which is consistent with the previous quarter, and was at the bottom end of our \$1.5M to \$2.0M guidance.
- Cash at bank as at 31 December 2012 is **\$10.9M**.
- Staff costs include a non-recurring payment of \$177k as shown at 1.2(a) to the Webfirm Group Employee Share Trust who used those funds to procure new shares in the Company. It was therefore cash neutral to the Company as it flows back in at 1.15.
- The cash receipts for the quarter for Adslot Premium were up slightly on the previous quarter but this increase was offset by a reduction in legacy Adslot revenues that relate to acquired businesses from 2010, which we have wound down.
- The cash receipts for the Webfirm division were consistent quarter-on-quarter.
- We anticipate further net cash outflows for the remainder of Calendar 2013 as we further invest in the sales and marketing of core products Adslot Publisher and Adslot Create and the growth of our North American and UK operations.
- We expect the underlying operating cash outflows to be in the range of \$1.5M to \$2.0M per quarter for FY 2013. However in the March 2013 quarter we expect to receive \$0.8M in research and development grants that relate to FY 2012, which will reduce the net cash outflow for that quarter.

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+ See chapter 19 for defined terms.

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Name of entity

**ADSLOT LTD**

ABN

**70 001 287 510**

Quarter ended ("current quarter")

**31 DECEMBER 2012**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	847	1,701
1.2 Payments for:		
(a) staff costs (Note 3)	(1,730)	(3,595)
(b) advertising and marketing	(82)	(124)
(c) research and development	-	-
(d) leased assets	(1)	(2)
(e) website publisher payments	(15)	(83)
(f) other cost of sales	(240)	(489)
(g) other working capital/overheads	(558)	(989)
1.3 Dividends received	-	
1.4 Interest and other items of a similar nature received	136	290
1.5 Interest and other costs of finance paid	-	-
1.6 Income and Other taxes paid	(4)	(8)
1.7 Other – Government grants	-	-
<b>Net operating cash flows</b>	<b>(1,647)</b>	<b>(3,299)</b>

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(1,647)</b>	<b>(3,299)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(4)	(11)
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(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)	-	-
<b>Net investing cash flows</b>	<b>(4)</b>	<b>(11)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,651)</b>	<b>(3,310)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc. – Note 3	177	464
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 – Costs relating to issues of shares	-	-
<b>Net financing cash flows</b>	<b>177</b>	<b>464</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,474)</b>	<b>(2,846)</b>
1.21 Cash at beginning of quarter/year to date	12,344	13,746
1.22 Exchange rate adjustments – Note 2	(2)	(32)
<b>1.23 Cash at end of quarter</b>	<b>10,868</b>	<b>10,868</b>

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**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	84
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Directors Fees of \$44k. Consultancy Fees paid to entity associated with Directors of \$40k. In addition, item 1.1 includes receipts from trading with entity associated with a Director of \$22k	

**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

N/A
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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

N/A
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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	-	-
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	1,042	1,337
4.2 Deposits at call	9,826	11,007
4.3 Bank overdraft	-	-
4.4 Other – Held in solicitor's trust account	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>10,868</b>	<b>12,344</b>

### Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
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.



Sign here: ..... Date: 30 January 2013  
**Company Secretary**

Print name: Brendan Maher

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### Notes

1. 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
2. **Exchange Rate Adjustment (1.22):** Represents accounting adjustment related to conversion of US dollar, GB pound and Euro bank account balances to local currency.
3. **Proceeds from issue of shares (1.2a & 1.15):** Includes a payment of \$ 177k (YTD, \$464k) in the quarter of Employment Costs (1.2a) to the Webfirm Group Employee Share Trust who used those funds to procure new shares in the Company which is shown at 1.15. These shares are eliminated on consolidation as Treasury Shares in the accounts of the Company.

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