

Appendix 4C - Quarterly report

Commentary for the quarter ending 31 March 2016

Cash receipts from customers for the March quarter were \$2.61 million, a decrease of 22% versus the December quarter and an increase of 19% versus the March quarter for the year prior.

As previously indicated, the decrease in cash receipts for the March quarter is attributed to:

- The timing of payments from agency customers (some large cash receipts were secured late in the December quarter);
- The seasonal softening of media trading activity in the March quarter (as per guidance provided in the Company's cashflow statement for the December quarter).

YTD cash receipts are \$8.56 million, an increase of 49% or \$2.82 million from the corresponding period last year.

Net operating cash flows showed an outflow of \$1.68 million for the March quarter compared to an outflow of \$0.75 million for the December quarter. The increase in the net outflow is due to the decrease in cash receipts (as described above) and an increase in publisher payments of \$0.36 million - a result of growth in Trading Fee revenues in 1H FY16.

Excluding this increase in publisher payments, the recurring cost base of the business decreased by \$0.21m versus the December quarter.

The YTD net operating cash outflow of \$2.22 million is an improvement of 35% or \$1.21 million versus the corresponding period last year.

Cash at the end of the March 2016 quarter was \$2.09 million. The Company subsequently concluded a successful capital raising in the amount of \$4.6 million. The Company also expects a cash receipt of approximately \$2 million from the R&D Tax Incentive Scheme in the September quarter of 2016.

Despite seasonality, Trading Technology revenues were slightly higher against the December quarter, making the March quarter the sixth consecutive quarter of Trading Technology revenue growth.

Trading Fee revenues are expected to lift in the June quarter as industry trading activity returns to normal levels.

+ See chapter 19 for defined terms.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

ADSL0T LTD

ABN

70 001 287 510

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	2,610	8,559
1.2 Payments for:		
(a) staff costs	(1,701)	(5,362)
(b) advertising and marketing	(44)	(72)
(c) research and development (Note 3)	(756)	(2,612)
(d) leased assets	(1)	(3)
(e) website publisher payments	(902)	(2,264)
(f) other cost of sales	(231)	(734)
(g) other working capital/overheads	(672)	(2,037)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	68
1.5 Interest and other costs of finance paid	0	0
1.6 Income and Other taxes received / (paid)	0	9
1.7 Other – R&D Tax Incentive	0	2,225
Net operating cash flows	(1,679)	(2,223)

+ See chapter 19 for defined terms.

**Appendix 4C - Quarterly report for entities
admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,679)	(2,223)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(10)	(61)
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)	-	-
Net investing cash flows	(10)	(61)
1.14 Total operating and investing cash flows	(1,689)	(2,284)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
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	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(1,689)	(2,284)
1.21 Cash at beginning of quarter/year to date	3,835	4,441
1.22 Exchange rate adjustments – Note 2	(53)	(64)
1.23 Cash at end of quarter	2,093	2,093

+ See chapter 19 for defined terms.

**Appendix 4C - Quarterly report for entities
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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	58
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 \$58k.	

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

- 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

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	-	-

+ See chapter 19 for defined terms.

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	1,716	1,663
4.2 Deposits at call	377	2,172
4.3 Bank overdraft	-	-
4.4 Other	-	-
Total: cash at end of quarter (item 1.23)	2,093	3,835

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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:

CEO & Executive Director

Date: 29 April 2016

Print name: Ian Lowe

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, NZ dollar, GB pound and Euro bank account balances to local currency.
3. **Research & Development (1.2c):** Represents direct payroll and on-costs related to on-going technology development work compliant with R&D Grant regulations.