

ASX ANNOUNCEMENT

29th August 2013

FY13 Results & Trading Update

Adslot Limited (ASX:ADJ), a global provider of display media trading technology, today released its full year results and a trading update.

FY13 Results

Highlights of the Financial Year ending June 30, 2013 follow.

- Group revenue of \$4.73m, a decrease of \$0.612m versus the year prior due to:
 - A reduction in interest income of \$0.36m as a result of lower cash balances and lower interest rates.
 - A reduction in revenue from the Webfirm division of \$195k.
 - A reduction in revenue from the Adslot division of \$0.06m due to a decrease in revenues from the 2010 Adimise acquisition.
 - The revenue decrease from the 2010 Adimise acquisition was offset against an increase in revenue from media trading technology.
- Group EBITDA loss of \$4.28m, an improvement of \$1.28m versus a \$5.56m loss for the year prior
 - Group costs reduced by \$1.5m
- Group net loss of \$6.46m, an improvement of \$0.87m versus a \$7.33m loss for the year prior
 - The Group net loss includes \$3.1m of non-cash losses, \$2.7m of which is attributable to acquired intangibles relating to the Adslot division

The Group achieved a number of other significant outcomes in FY13, including:

- The product driven focus manifested under interim CEO/Founder Andrew Barlow culminated in the global launch of *Adslot Publisher* in October 2012. *Adslot Publisher* allows publishers to expose premium display inventory to buyers in a purpose-designed media buying interface.
- In September 2012 the group announced it had appointed Ian Lowe, one of Australia's most experienced media technology executives, as Group CEO.
- The company established a strategy to target and capture online display media spend at scale, which will see Adslot's buying tool for media agencies released by the end of the September 2013 quarter.
- A significant and growing number of publishers have signed with Adslot, including major local and international publishers such as The Daily Mail, eBay Australia and Pet360 (see the *Trading Update* section of this release for a further update).
- The FY13 June quarter saw an increase in the volume of media traded on the *Adslot Publisher* platform versus the FY13 March quarter.

Trading Update

Publisher Sign Up Growth Continues

Adslot confirmed that as of 28th August, 668 publishers have signed up to use *Adslot Publisher*, representing an increase of 152 publishers since the company's previous announcement in May 2013.

"We continue to successfully grow our portfolio of high quality publishers in advance of the global release of our *marketplace*", said Adslot CEO Ian Lowe.

"Importantly, we are by virtue of this rapidly growing the scale and diversity of the inventory we can offer buyers in our *marketplace*, which we remain on schedule to release at the end of September".

"Adslot's *marketplace* will allow large and sophisticated media buyers to seamlessly source, profile and purchase inventory across multiple publishers simultaneously. In the process, our platform automates many of the manual processes buyers and sellers are currently forced to undertake when they trade. The efficiencies we bring remove significant cost for both parties, translating to revenue and profit growth opportunity for all", said Lowe.

A sample of local and international publishers recently signed to *Adslot Publisher* include eBay Australia, Tribune Company, XO Group, eMedTV, National Public Media, Allure Media, Wego, Carsguide, Total Jobs, Gumtree, Baby Centre, footytube.com, Care2, Apartment Finder, cupid.com, Giant Digital, and hi5.com.

Expansion of US Operations

In July 2013, the company commenced operations from its New York office.

"A number of the world's largest publishing groups and media agency groups are headquartered in New York City, making it an important location for our sales organisation as we expand our US client base", said Adslot CEO Ian Lowe.

"We plan further expansion of the US sales and support organisation over the course of FY14, both in support of the upcoming launch of our *marketplace*, and in response to growth in the number of clients generally".

eBay Australia Launch Adslot

Last week eBay Australia officially launched their Adslot media store, offering new and existing advertisers – including their 3000+ merchants – the ability to direct purchase eBay's premium display advertising inventory.

eBay reaches 70% of Australian shoppers, and nearly 7 million Australian visitors every month across a broad and highly engaged audience.

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