

ASX ANNOUNCEMENT

30th April, 2015

TRADING UPDATE

- **Trading Technology revenue growth continues**
- **New Symphony clients activated**
- **Increase in agency registration and adoption**
- **Transactional revenue driven predominantly by US market**
- **Average order values continue to grow**

Trading Technology revenue growth continues

Trading Technology revenues for the March quarter increased against the prior quarter. A strong sales pipeline in combination with significant trading activity growth gives the company a high level of confidence it will see a material increase in Trading Technology revenues over the coming quarters.

Trading Technology revenues comprise both **transaction fees** and **licence fees**.

Highlights in the March quarter for **transaction fee** revenues:

- As per the Company's guidance (4D Half Year Results, 25 February 2015), the value of media purchased via Adslot decreased versus the prior quarter in line with industry seasonality, as expected. This resulted in a 6% decrease in transaction fee revenues versus the prior quarter.
- The value of media traded via Adslot increased by 250% versus the same period in the year prior.
- In the first four weeks of April, the value of media traded via Adslot has increased by more than 600% versus the full month of April in the year prior.

In the current (June) quarter to date, the value of media traded has already exceeded the entire March quarter, and has increased by more than 60% versus the full June quarter for the year prior (2014).

Highlights in the March quarter for **license fee** revenues:

- License fee revenues for the March quarter increased 18% on the December quarter.
- The increase in licence fees was driven by growth in *Symphony* usage, and successful deployments for new *Symphony* clients.

The majority of growth in media purchased via *Adslot* is being derived from the US market, which is the frontier in media trading technology innovation. A recent lift in the value of media traded via Adslot for both UK and Australia/NZ suggests these regions will exhibit similar growth trends to the US in coming months, driven by:

- The recent release of the enhanced Adslot-Symphony integration (refer ASX release dated 8th April, 2015). The market response to this release has been very positive, with first trading activity having occurred, and a number of the largest agencies in Australia/NZ making commitments to buy publisher inventory directly via Adslot-Symphony.
- With a global sales organisation and a global catalogue of publishers, Adslot is able to service global advertising budgets held in US or UK that would otherwise be carved up into smaller budgets and executed separately in each market or region. As a result, agency demand sourced out of US is starting to contribute Trading Technology revenue to both UK and Australia/NZ markets.

New Symphony clients activated

Recent *Symphony* contract wins announced for major agencies including OMD (APAC), Starcom (Australia), IMM (US) and Haworth (US) were successfully activated in the March quarter. This progresses the Company's strategy to secure new *Symphony* agency clients and grow *Adslot* transactional revenue.

These activations will see the value of forward guaranteed media buying captured within *Symphony* grow by approximately AUD \$1 billion on an annualised basis, with further growth from future contract wins expected.

Increase in agency registration and adoption

New *Symphony* activations, in combination with sales activity leading up to the recent release of the enhanced *Adslot-Symphony* integration, saw an increase in interest from agencies generally. In the March quarter the Company saw a 90% increase in the number of media buyers in Australia/NZ applying for access to *Adslot* and a 67% increase across all markets versus the December quarter.

Transactional revenue driven by US market

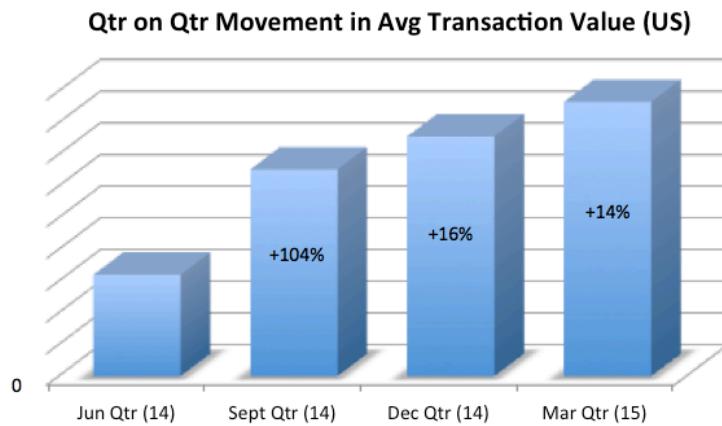
The US market has moved fastest to adopt *Adslot*, representing 64% of total advertising spend traded via the platform in the 12 months to March 2015.

Valued at circa \$19.6 billion per annum, the US display advertising market is the largest in the world and is approximately 13 times the size of the Australian market. Driving adoption of *Adslot* in the US market is significant beyond the revenue it generates, as the trading technology adopted in the US market will heavily influence the industry's choice of trading technology across the rest of the world.

Average order value continues to grow

In the US market the average value per transaction via *Adslot* has consistently increased over the 12 months to March 2015, driven by two factors:

1. Growth in platform adoption from mid-to-large agencies, where average transaction values are higher.
2. Repeat trade activity. Agencies are returning to the platform and bringing with them increasing budgets as their confidence in *Adslot* technology builds (more than two thirds of media spend traded via *Adslot* has come from buyers conducting repeat buys).



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