

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Commentary on activities during the quarter ending 30 June 2013

- Cash outflow for the quarter was **\$1.4m**, which was at the lower end of our guidance range of \$1.3M to \$1.7M.
- Cash at bank as at 30 June 2013 is \$9.1M.
- Cash receipts for the quarter for **Adslot** products were higher on the previous quarter, due largely to the timing of receipts from large customers.
- The June quarter saw an increase in the number of campaigns booked via the **Adslot Publisher** platform (versus the March quarter).
- Adslot's strategy to build liquidity by growing a diverse catalogue of publishers (supply), then making this available to demand at scale (media agencies), remains on track. In September 2013 the company will undertake a global launch of its marketplace via the release of **Adslot Media** (a purpose designed buying interface for media agencies). The company anticipates it will take 1 - 2 quarters thereafter to drive adoption of the platform by media agency buyers.
- **Adslot Media** will include advanced buying tools for media agencies, including:
 - Publisher catalogue filtering tools
 - Data driven audience profiling
 - Programmatic optimization of budget allocation by publisher/property
- Cash receipts for the **Webfirm** division were steady quarter-on-quarter.
- Total Group costs were in line with management expectations albeit at the bottom end of the range reflecting a conservative management of expenditure.
- We anticipate net cash outflows for the remainder of the 2013 calendar year as we continue to invest in the sales, marketing and product development of core products **Adslot Publisher, Adslot Media, Adslot Create** and the growth of our North American and European operations.
- We expect the underlying net operating cash outflows for the next two quarters to be in the vicinity of \$1.5M to \$1.8M per quarter. This excludes a cash receipt of approximately \$0.9M from the Research & Development Tax Incentive relating to FY 2013, which we expect to receive late this calendar year.

+ See chapter 19 for defined terms.

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Name of entity

ADSLOT LTD

ABN

70 001 287 510

Quarter ended ("current quarter")

30 JUNE 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	882	3,391
1.2 Payments for:		
(a) staff costs (Note 3)	(1,490)	(6,610)
(b) advertising and marketing	(41)	(193)
(c) research and development	-	-
(d) leased assets	(1)	(4)
(e) website publisher payments	(45)	(128)
(f) other cost of sales	(199)	(866)
(g) other working capital/overheads	(564)	(1,950)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	122	548
1.5 Interest and other costs of finance paid	-	-
1.6 Income and Other taxes paid	(8)	(20)
1.7 Other – R&D Tax Incentive (Note 4)	-	823
Net operating cash flows	(1,344)	(5,009)

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,344)	(5,009)
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	(16)	(27)
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	(16)	(27)
1.14 Total operating and investing cash flows	(1,360)	(5,036)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. – Note 3	-	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	-	-
Net financing cash flows	-	464
Net increase (decrease) in cash held	(1,360)	(4,572)
1.21 Cash at beginning of quarter/year to date	10,490	13,746
1.22 Exchange rate adjustments – Note 2	2	(42)
1.23 Cash at end of quarter	9,132	9,132

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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	62
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 \$62k. In addition, item 1.1 includes receipts from trading with entities associated with Directors of \$18k	

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	-	-

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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	525	758
4.2 Deposits at call	8,607	9,732
4.3 Bank overdraft	-	-
4.4 Other	-	-
Total: cash at end of quarter (item 1.23)	9,132	10,490

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: 25 July 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 \$464k in year to date Employment Costs (1.2a) paid 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.
4. **Other – Government grants (1.7):** Represents proceeds received from the Research & Development Tax Incentive for the financial year June 2012 claim.

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