

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Company Commentary on activities during the quarter ending 31 March 2012

1. Group Update:

- Investor Update in February 2012 continued into March with significant interest shown from the investment community with regard to our progress. Next Investor Update will be late August/early September 2012 once the full year results are released;
- The Group has focused on the product development for Adslot's product suite and maintaining the profitability of the Webfirm division;
- Andrew Barlow (Adslot Co Founder and major shareholder) remains acting CEO, although we have progressed the process for the recruitment of a permanent CEO;

2. Webfirm Division:

- The Division has continued its profitable trading and has now recorded 7 consecutive profitable months through to March 2012;

3. Adslot Division:

- Adslot signed its 5th customer, Wotif.com, to its end-to-end self-serve display sales platform during the quarter. Wotif.com and the 2nd Carsales Contract are expected to go live in the next quarter. The recently announced 2nd contract for Realestate.co.nz is not expected to be fully implemented until the September quarter of 2012;
- The division concentrated on the development of its standardised Adslot Platform which aims to reduce implementation timeframes for clients and access a broader client base, this work will also continue into the next quarter;
- Adslot has also made significant progress in developing new products, Adslot Direct and Adslot Create, which are due for launch in September 2012 quarter and December 2012 quarter respectively;

4. Financials

- This Appendix 4C is consistent with management expectations;
- Cash at bank is \$14.7M;
- We anticipate further net operating cash outflows for the remainder of this financial year, and these are likely to increase further for the remainder of calendar 2012 due to the ramp up costs associated with the launch of the Adslot Direct and Adslot Create products.

+ See chapter 19 for defined terms.

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Name of entity

WEBFIRM GROUP LIMITED

ABN

70 001 287 510

Quarter ended ("current quarter")

31 MARCH 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	880	2,867
1.2 Payments for:		
(a) staff costs	(1,561)	(4,524)
(b) advertising and marketing	(4)	(30)
(c) research and development	-	-
(d) leased assets	-	(2)
(e) website publisher payments	(49)	(167)
(f) other cost of sales	(198)	(699)
(g) other working capital/overheads	(496)	(1,976)
1.3 Dividends received	-	
1.4 Interest and other items of a similar nature received	231	906
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(4)	(12)
1.7 Other – Government grants	-	22
Net operating cash flows	(1,201)	(3,615)

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,201)	(3,615)
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	(12)	(92)
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	1	27
(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	(11)	(65)
1.14 Total operating and investing cash flows	(1,212)	(3,680)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	83	83
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	83	83
Net increase (decrease) in cash held	(1,129)	(3,597)
1.21 Cash at beginning of quarter/year to date	15,877	18,353
1.22 Exchange rate adjustments – Note 2	(23)	(31)
1.23 Cash at end of quarter	14,725	14,725

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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	153
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 \$81k and Consultancy Fees paid to entity associated with Directors of \$72k In addition, item 1.1 includes receipts from trading with entity associated with Director of \$29k	

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	1,468	1,619
4.2 Deposits at call	13,257	14,258
4.3 Bank overdraft	-	-
4.4 Other – Held in solicitor's trust account	-	-
Total: cash at end of quarter (item 1.23)	14,725	15,877

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: 26 April 2012
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.** Represents accounting adjustment related to conversion of US dollar and GB pound bank account balances to local currency.

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