

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Commentary on activities during the Quarter ending 31 March 2013

- Cash outflow for the quarter was \$0.4m. As forecast last quarter this included the receipt of our financial year 2012 Research & Development Tax Incentive of \$0.8m
- The normalised cash outflow for the 3 months to 31 March 2013 was therefore **\$1.2m**, lower than our guidance range of a \$1.5M to \$2.0M, provided in January 2013.
- Cash at bank as at 31 March 2013 is **\$10.5M**.
- Cash receipts for the quarter for Adslot products were slightly down on the previous quarter, due largely to the timing of receipts from large customers. By way of comparison, from a profit and loss perspective, the revenue's quarter on quarter were higher.
- Cash receipts for the Webfirm division were steady quarter-on-quarter.
- 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 further invest in the sales and marketing of core products *Adslot Publisher*, *Adslot Create* and the growth of our North American and UK operations.
- We expect the underlying net operating cash outflows for the next two quarters to be in the vicinity of \$1.3M to \$1.7M per quarter.

+ See chapter 19 for defined terms.

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Name of entity

ADSLOT LTD

ABN

70 001 287 510

Quarter ended ("current quarter")

31 MARCH 2013

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	808	2,509
1.2 Payments for:		
(a) staff costs (Note 3)	(1,525)	(5,120)
(b) advertising and marketing	(28)	(152)
(c) research and development	-	-
(d) leased assets	(1)	(3)
(e) website publisher payments	-	(83)
(f) other cost of sales	(178)	(667)
(g) other working capital/overheads	(397)	(1,386)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	136	426
1.5 Interest and other costs of finance paid	-	-
1.6 Income and Other taxes paid	(4)	(12)
1.7 Other – R&D Tax Incentive (Note 4)	823	823
Net operating cash flows	(366)	(3,665)

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(366)	(3,665)
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	-	(11)
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	-	(11)
1.14 Total operating and investing cash flows	(366)	(3,676)
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	(366)	(3,212)
1.21 Cash at beginning of quarter/year to date	10,868	13,746
1.22 Exchange rate adjustments – Note 2	(12)	(44)
1.23 Cash at end of quarter	10,490	10,490

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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	90
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. Consultancy Fees paid to entity associated with Directors of \$9k. In addition, item 1.1 includes receipts from trading with entity associated with a Director of \$21k	

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	758	1,042
4.2 Deposits at call	9,732	9,826
4.3 Bank overdraft	-	-
4.4 Other – Held in solicitor's trust account	-	-
Total: cash at end of quarter (item 1.23)	10,490	10,868

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

- 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.
- This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 26 April 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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