



Webfirm Group Limited Market Update

30th October 2012



| Adslot






Presentation Overview

1. Group Overview
2. Adslot Division
 - Market Opportunity
 - Strategic Positioning
 - Publisher Problems/Adslot Solution
 - The Road Ahead
3. Webfirm Division
4. Summary & Questions



Webfirm Group Limited (ASX:WFM)

Board of Directors

Executive Chairman	Chief Executive Officer	Exec Director	Non-Exec Director	Non-Exec Director
				
Adrian Giles Co Founder - Hitwise	Ian Lowe 20+ years media industry experience Former CEO - Facilitate Digital (ASX:FAC)	Andrew Barlow Co Founder - Hitwise Co Founder - Adslot	Chris Morris Founder & Chairman Computershare	Tiffany Fuller Funds Management Venture Capital

ASX Listing Code:	WFM
Current Share Price:	\$0.046
52 Week Low:	\$0.027
52 Week High:	\$0.089
Cash at Bank (30 Sept 2012)	\$12.3M
Shares on Issue:	698,965,530
Market Capitalisation:	\$32.2M

Top 5 shareholders	%
Chris Morris related entities	9.6%
Andrew Barlow related entities	8.2%
Overachieve Pty Ltd	4.1%
J&M Barlow Pension Fund	2.9%
Adrian Giles related entities	2.7%
	27.5%

Company Overview

Webfirm Group Limited (ASX:WFM)
Currently has two operating divisions

 Adslot

Changing the way that
advertising is *bought*
and *sold*


WEBFIRM™

Online marketing solutions
for small to medium
businesses



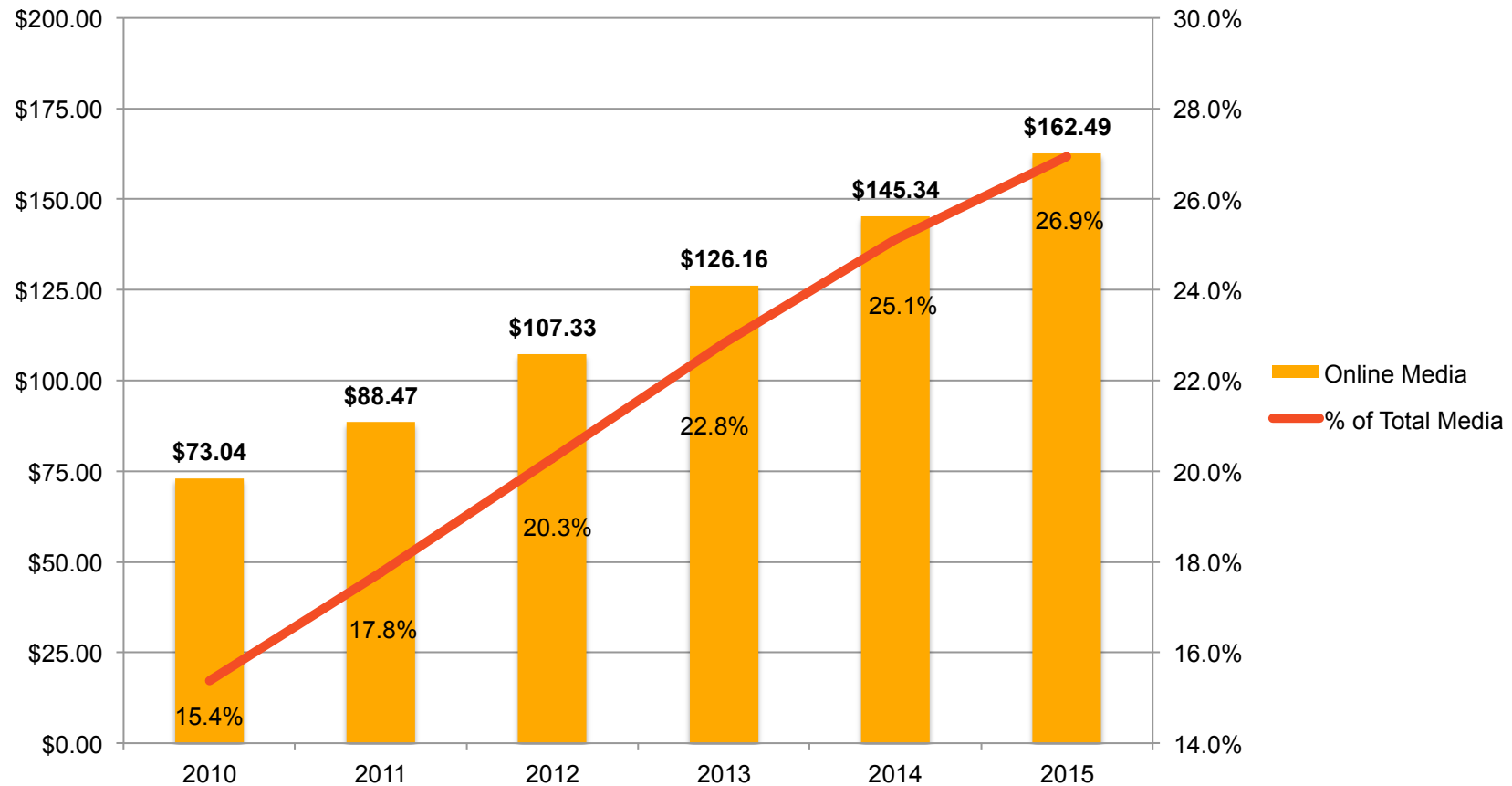
Adslot Division

Changing the way that advertising is bought and sold



Large and Growing Market Opportunity

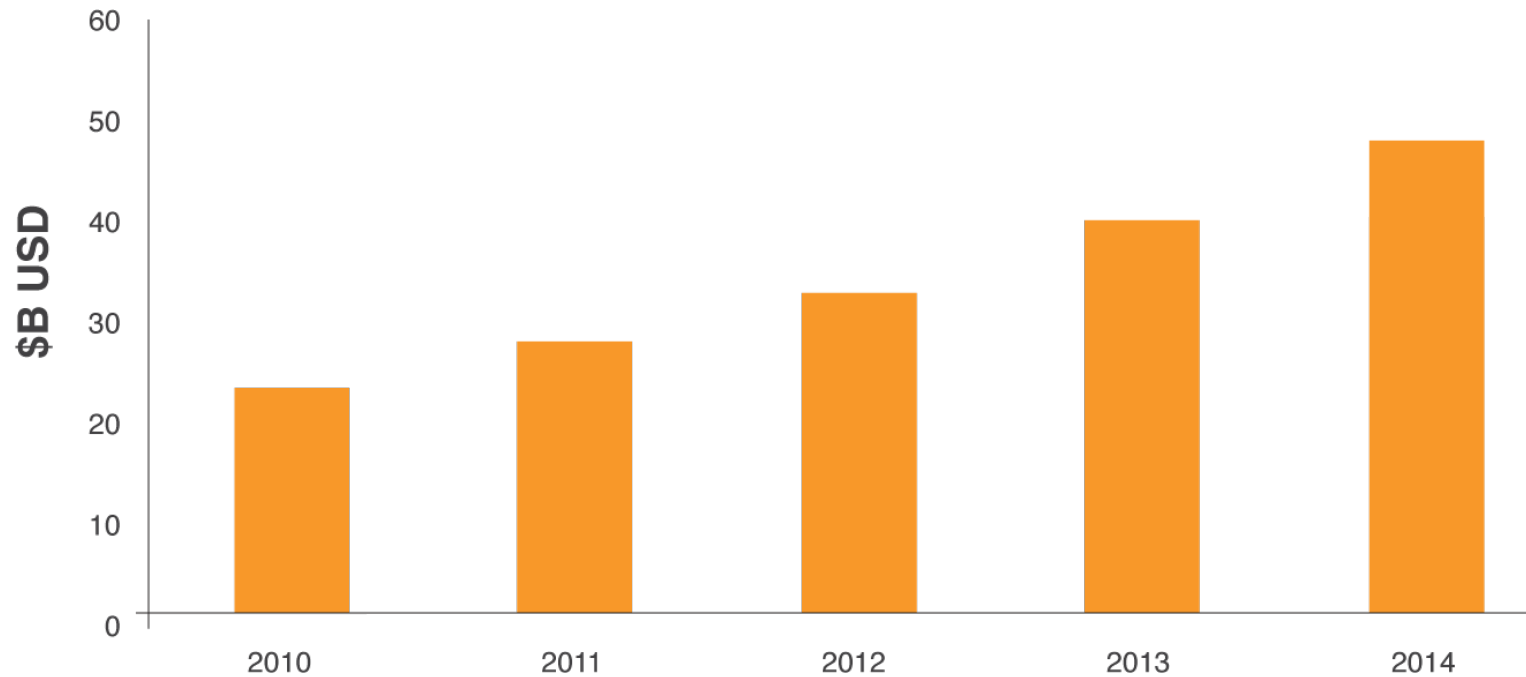
Global Online Media Spend as % of Total Online Media Spend



Source : eMarketer, July 2012

The Online Display Segment Is Also Large & Growing

Global Display Market \$B



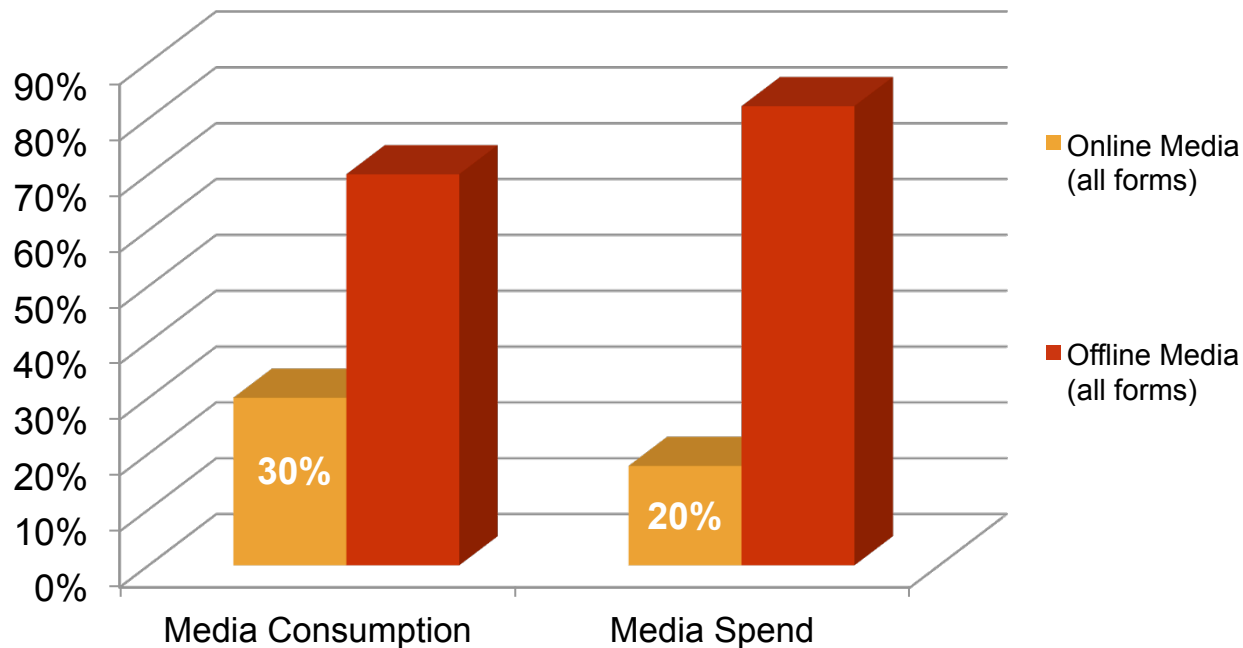
Global Online Display advertising

2010 : \$22B
2014E : \$48B
CAGR 2010 – 2014 : 15.11% pa.

Zenith OptiMedia. June 2012

With \$20B of Further Growth Potential in Display Alone

Online Media Consumption vs Spend

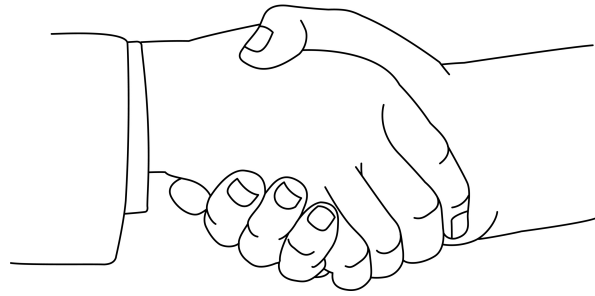


Consumption versus Spend:

- Is a **\$20B** gap
- The result of structural inefficiencies in the way display is bought and sold

88% of Display Revenue Is Generated from Premium Inventory

Premium



**88% Display
Revenue**

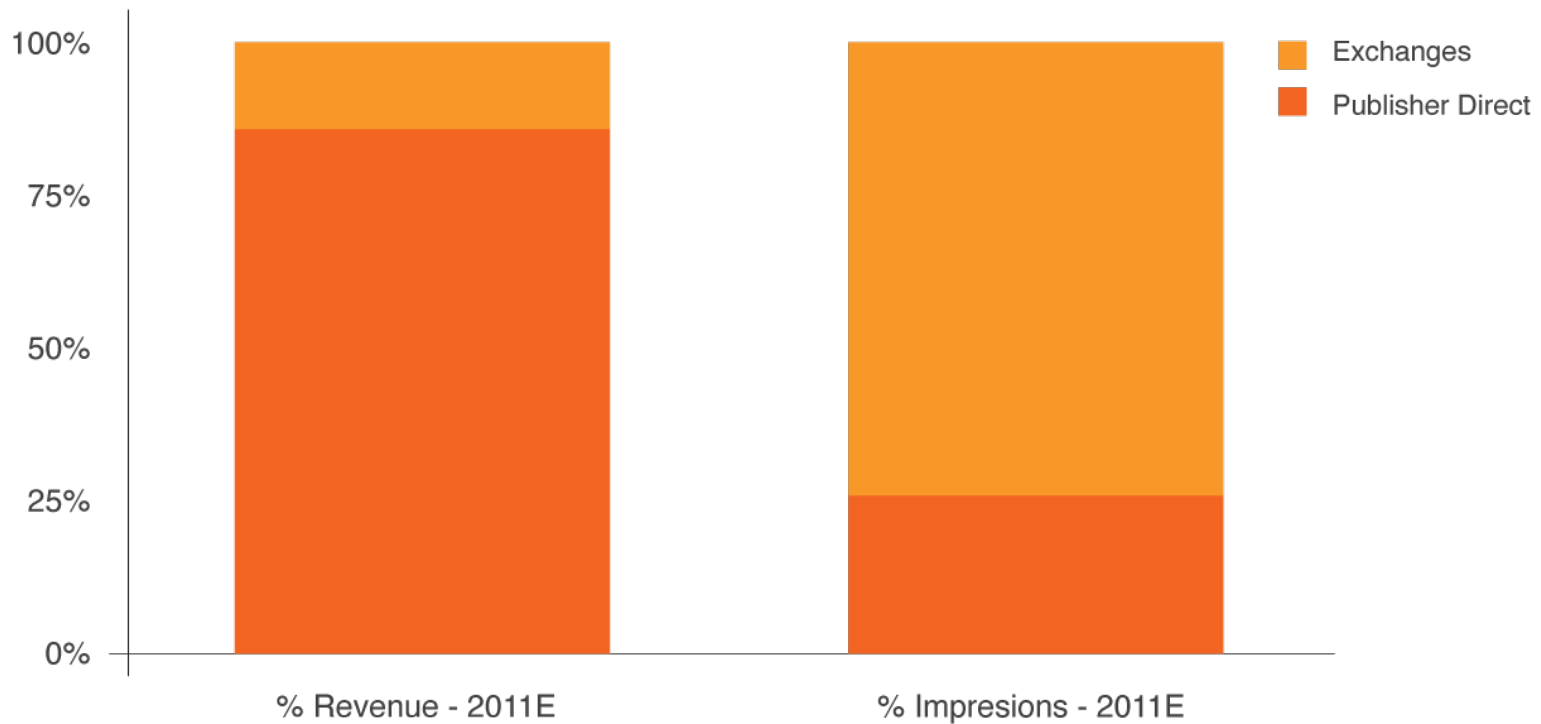
Remnant



**12% Display
Revenue**

88% of Display Revenue Is Derived From 26% Of Impressions

Global Revenue and Impressions by Channel - 2011



Evercore Partners May 2011

While investment & innovation over the last 5 years has focused on Remnant



 Denotes acquired company

Significant Problems Remain in the Premium segment

1. The sales process for Premium display is hugely inefficient
2. The barriers to entry for advertisers are high
3. Publishers find it difficult to establish margin and economies of scale

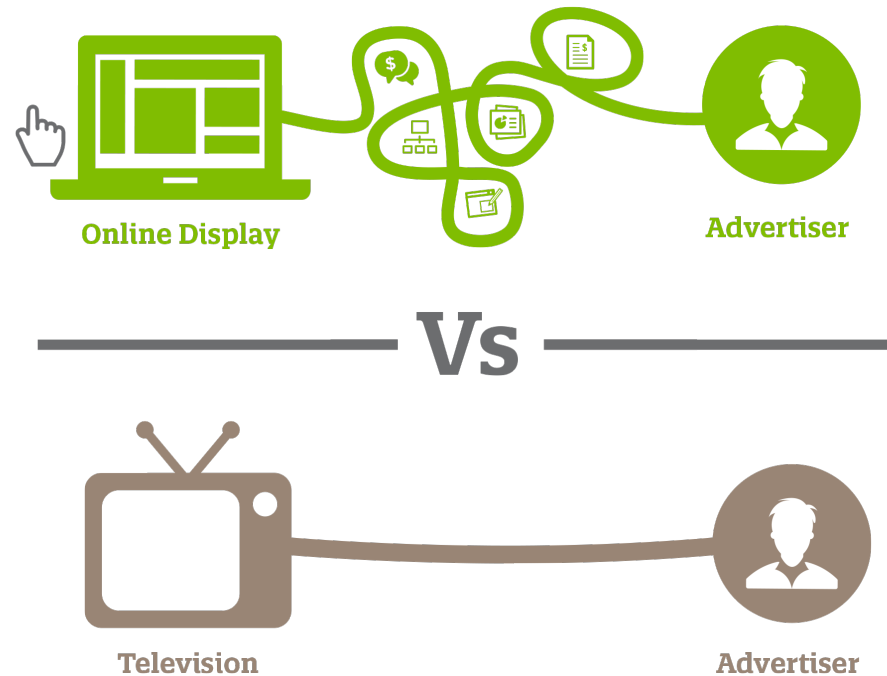
Problems Confronted By Publishers...

1. The sales process for online display is hugely inefficient

28% of Media Spend is lost on Administrative Costs (COGS)

Selling online display advertising is expensive, labour intensive and executed via multiple manual processes

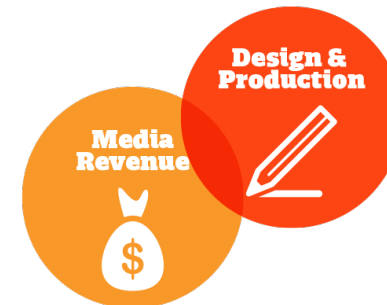
2% for Television



Problems Confronted By Publishers...

2. As a result, the barrier to entry for advertisers is high

- a) Publishers are turning away SME advertisers whilst significant volumes of inventory go unsold
- b) The cost to design & produce ad content often exceeds the media revenue itself



Demand exists that cannot be serviced under current-state market economics

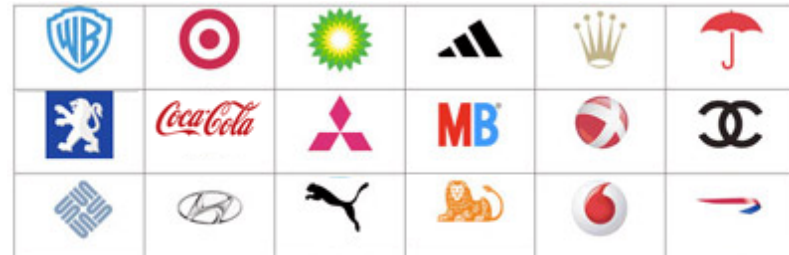
Problems Confronted By Publishers...

3. Establishing margin and economies of scale is difficult

a) The publisher toolset for managing the administration of sales & delivery is slow and unscalable



b) For many publishers, only larger advertisers generate margin



The Publishers growth opportunity is being defined by flawed processes and tools, not the existence of and access to demand

The Opportunity

- The online display advertising market is large and growing
- 88% of this market comes from the sale of premium inventory (versus unsold or remnant)
- The publisher toolset is hugely inefficient and un-scalable
- Investment & innovation has focused almost entirely on the remnant segment (12% of revenue)

Introducing...

Adslot publisher

Changing the way advertising is
bought and sold

What is Adslot Publisher?

Adslot Publisher is a purpose built technology platform through which premium online display advertising is bought and sold

What Are The Benefits of Adslot?

1. Adslot reduces the cost of sale for publishers
2. Adslot provides publishers with tools to grow revenue

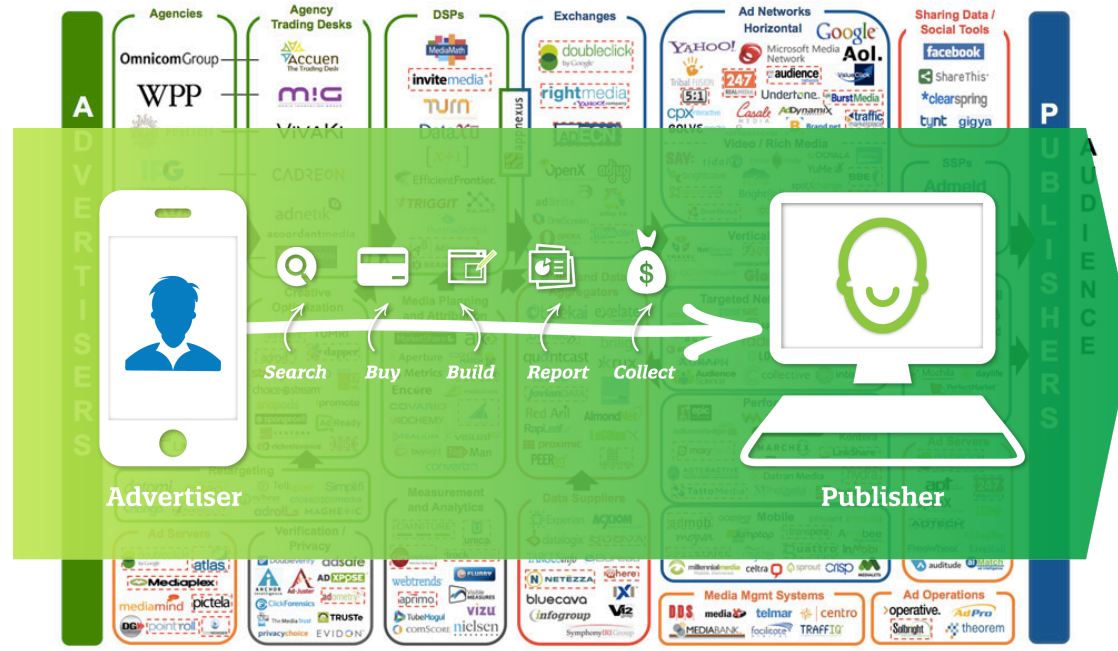
What Are The Benefits of Adslot?

1. Adslot reduces the cost of sale for publishers
 - a) Adslot integrates the **publishers toolset**: sales → ad operations → production → finance
 - b) Adslot integrates and automates the **publishers workflow**: sales → ad operations → production → finance
 - c) Adslot provides publishers with a 'drag and drop' ad builder
 - d) Adslot offers publishers a platform through which to scale their operations economically

What Are The Benefits of Adslot?

2. Adslot provides publishers with tools to grow revenue

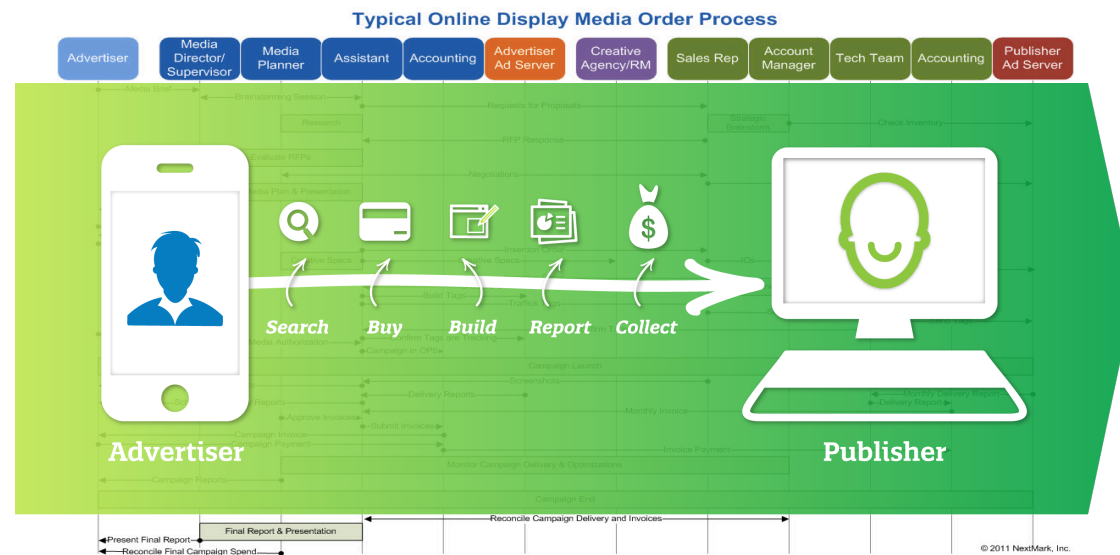
- a) Opens up a direct to advertiser 'self serve' sales channel



What Are The Benefits of Adslot?

2. Adslot provides publishers with tools to grow revenue

- b) Provides sales teams with a booking engine that links sales, ad operations, production and finance
- c) Provides publishers with purpose designed auction technology, allowing them to explore new sales models and drive yield



What Are The Benefits of Adslot?

2. Adslot provides publishers with tools to grow revenue

d) Provides publishers a 'drag and drop' ad builder:

- slashes production costs to lower barrier to entry for new advertisers
- Reduces production cost for existing advertisers, freeing up more media budget



In Summary...

Adslot gives **publishers** the ability to service **advertisers** in a cost-effective way



Increased revenues



Relationships with advertisers



Reduced cost-to-serve

In Summary...

...and makes buying advertising as easy as booking an airline ticket online



Our Brands: Revolve Around 3 Distinct Audiences

Adslot publisher

- Encompasses both publisher solutions: *Adslot Premium* & *Adslot Direct*

Adslot media

- Targeted to advertisers
- Each publisher has a media page, where they direct advertisers

Adslot create

- For publishers, advertisers and agencies
- An enabling technology to provide more advertisers with display creative and drive media spend

Building The Business



Achievements of The Last 6 Months

- Progressed implementations and signed new contracts with foundation clients
- Launched Adslot Direct product
- Beta tested Adslot Create
- Appointed new CEO
- Established US operations
- Built out marketing capability





Webfirm Division



Webfirm Division Continues To Contribute

- Since the restructure (August 2011) the Webfirm division has been **consistently profitable**, even after covering its share of corporate overheads
- The division's main focus remains on **Search Engine Marketing solutions** in the highly competitive SME marketplace
- Our current focus is the **continual innovation** of the product suite to maintain high ranking search results for our clients
- Our focus over the next 12 months is to **maintain margins and profitability** in the Webfirm division

Group Summary

- Adslot's pivot from **bespoke solutions** to **standardised products** has been executed
- Adslot **Publisher** offering has been expanded to include capabilities for all publishers of premium inventory
- Webfirm division has been **profitable** (including corporate overhead) for **4** consecutive quarters
- CY13 focused on transitioning from an R&D organisation, to an R&D and **Sales & Marketing** organisation

Media

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