



Webfirm Group Limited  
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22 January 2010

The Manager  
Company Notices Section  
ASX Limited  
Level 45, 525 Collins Street  
MELBOURNE VIC 3000

#### **ENTITLEMENT OFFER DOCUMENT AND APPLICATION FORM MAILING**

On 21 December 2009 Webfirm Group Limited (**Webfirm**) (ASX: WFM) announced its intention to undertake a pro-rata, non-renounceable entitlement issue of new securities to Eligible Shareholders (**Entitlement Offer**).

Subsequently, on 11 January 2010 Webfirm mailed a formal notice to Webfirm shareholders advising them of the intention to undertake the Entitlement Offer and enclosing the 21 December 2009 announcement.

**Webfirm now wishes to advise that the following Entitlement Offer document and Entitlement and Application form will be mailed to all Eligible Shareholders today.**

The Entitlement Offer closes at 5:00pm (AEDT) on Tuesday, 9 February 2010.

For further information regarding the Entitlement Offer please call the Webfirm Shareholder Information Line on 1300 157 984 (local call cost from within Australia) or +61 9415 4048 (outside Australia) or visit [webfirmgroup.com](http://webfirmgroup.com) for more details.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Damian Element". The signature is fluid and cursive, with a large initial "D" and "E".

**Damian Element**  
**Chief Financial Officer &**  
**Company Secretary**



**WEBFIRM GROUP LIMITED**  
**ABN 70 001 287 510**

## **ENTITLEMENT OFFER**

**DETAILS OF A 3 FOR 5 NON-RENOUNCEABLE  
PRO-RATA ENTITLEMENT OFFER OF ORDINARY  
SHARES ("NEW SHARES") AT AN ISSUE PRICE  
OF \$0.035 PER NEW SHARE**

As the Company is a listed disclosing entity which meets the requirements of section 708AA of the Corporations Act, it is able to undertake a rights issue without the use of a prospectus or other disclosure document. This document is not a prospectus and it does not contain all the information that an investor would find in a prospectus or which an investor would reasonably require for the purpose of making an informed decision as to whether or not to accept this offer.

This is an important document which is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. Please call your professional advisor or Webfirm if you have any questions.



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## **CORPORATE DIRECTORY:**

### **REGISTERED OFFICE**

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South Melbourne Victoria 3205  
Australia

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### **SHARE REGISTRY**

#### **Australia**

Computershare Investor Services Pty Limited  
GPO Box 505 Melbourne VIC 3001

Website: [www.computershare.com.au](http://www.computershare.com.au)

### **WEBSITE:**

To view annual reports, shareholder and company information, news announcements, background information on Webfirm Group Limited's businesses and historical information, visit Webfirm's website at [www.webfirmgroup.com](http://www.webfirmgroup.com).

### **WEBFIRM SHAREHOLDER INFORMATION LINE:**

- Australia: 1300 157 984
- Overseas: +61 3 9415 4048

Open 8:30am to 5:00pm (AEDT) Monday to Friday during the Entitlement Offer period.

# CHAIRMAN'S LETTER

22 January 2010

Dear Shareholder,

## **Webfirm Group Limited Equity Raising – Entitlement Offer**

On behalf of Webfirm Group Limited (**Webfirm**), I am pleased to invite you to participate in a fully underwritten non-renounceable pro-rata entitlement offer to subscribe for 3 new Webfirm ordinary shares (**New Shares**) for every 5 existing Webfirm ordinary shares (**Existing Shares**) held at 7:00pm (AEDT) on the record date of 18 January 2010 (**Entitlement**) at an issue price of \$0.035 per New Share (**Entitlement Offer**).

You may also apply for New Shares in excess of your Entitlement.

On 21 December 2009, Webfirm announced its intention, subject to the approval of its shareholders, to acquire all of the issued shares of Adslot Pty Ltd (**Adslot**) and to raise up to \$4.2 million through a pro-rata offer of its shares. The Entitlement Offer is being made for that purpose. Webfirm intends to use the proceeds of the Entitlement Offer to develop the business of Adslot, for working capital purposes and to pay the expenses of the Entitlement Offer.

The Entitlement Offer is fully underwritten by E L & C Baillieu Stockbroking Ltd.

You will find enclosed in or accompanying this booklet the following:

- Details and the key dates for the Entitlement Offer;
- Background information on and copies of the ASX announcements and the Investor Presentation relating to the Adslot Acquisition and the Entitlement Offer;
- instructions on “How to Apply” setting out how to accept all or part of your Entitlement or apply for additional New Shares in the Entitlement Offer if you choose to do so; and
- an Entitlement and Acceptance Form which details your Entitlement (to New Shares), which Form must be completed in accordance with the instructions provided in this booklet (refer to the section headed “How to Apply”) and on the Form.

**The Entitlement Offer closes at 5.00pm (AEDT) on Tuesday, 9 February 2010.** To participate, you need to ensure that your completed Entitlement and Acceptance Form (with your Application Monies) is received by Webfirm before the above time and date OR that you have paid your Application Monies via Bpay® in accordance with the instructions that are set out on the Entitlement and Acceptance Form. Please refer to the instructions in the section headed “How to Apply” in this booklet for further information.

All Entitlements are non-renounceable and will not be tradeable on either ASX or be otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements (or part thereof) they do not take up.

**The Entitlement Offer will only proceed if shareholders approve the acquisition of Adslot at the general meeting of Webfirm to be held on 28 January 2009. If shareholder approval is not obtained, the Entitlement Offer will not go ahead.**

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

For further information regarding the Entitlement Offer, please call the Webfirm Shareholder Information Line on 1300 157 984 (local call cost from within Australia) or +61 3 9415 4048 (outside Australia) at any time from 8:30am to 5:00pm (AEDT) Monday to Friday during the Entitlement Offer period or visit our website at [www.webfirmgroup.com](http://www.webfirmgroup.com).

On behalf of the Board of Webfirm, I recommend the Entitlement Offer to you and look forward to your continued support of Webfirm.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized, scribbled 'A' followed by a horizontal line extending to the right.

**Adrian Giles**  
**Chairman**

Forward looking statements, opinions and estimates provided in this booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This booklet, and the accompanying ASX announcement, Investor Presentation, Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"). The New Shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from or not subject to the registration requirements of the Securities Act.

## KEY DATES FOR THE ENTITLEMENT OFFER

Event	Date
Record Date for the Entitlement Offer	7:00 pm (AEDT) on Monday, 18 January 2010
Mailing of booklet & Entitlement and Acceptance Form to Eligible Shareholders	Friday, 22 January 2010
Entitlement Offer opens	Friday, 22 January 2010
Entitlement Offer closes	5:00 pm (AEDT) on Tuesday, 9 February 2010
Issue of New Shares under the Entitlement Offer	Tuesday, 16 February 2010
Dispatch of holding statements and CHESS notices	Wednesday, 17 February 2010
Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX	Thursday, 18 February 2010

Note: All times and dates refer to Australian Eastern Daylight Savings Time (AEDT).

Applicants are encouraged to submit their Entitlement and Acceptance Forms and Application Monies as soon as possible after the Entitlement Offer opens. Webfirm, in conjunction with the underwriter, reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary any of the above dates of the Entitlement Offer, including by extending the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. No cooling off rights apply to the Entitlement Offer.

### Enquiries

If you are in doubt as to the course you should follow you should consult your stockbroker, accountant, solicitor or other independent professional adviser.

If you:

- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Webfirm Shareholder Information Line on 1300 157 984 (local call cost within Australia) or on +61 3 9415 4048 (outside Australia) at any time from 8:30am to 5:00pm (AEDT) Monday to Friday during the Entitlement Offer period.

Website: [www.webfirmgroup.com](http://www.webfirmgroup.com)

## ADSLLOT ACQUISITION

On 21 December 2009, Webfirm announced its intention to acquire 100 per cent of the issued share capital of Adslot for a consideration consisting solely of new Shares (**Adslot Acquisition**). In addition and as detailed above, Webfirm also announced its intention to undertake the Entitlement Offer to fund the development of the Adslot business.

The development of the Adslot business will be a key aspect of the future business of Webfirm. Accordingly, in this section, and the following sections (including the recent ASX Announcement and Investor Presentation), the Directors of Webfirm have set out relevant information concerning Adslot, its technologies and business. Information concerning the other businesses of Webfirm is available in earlier ASX announcements made by Webfirm and in Webfirm's interim and annual reports which may be reviewed on Webfirm's website - [www.webfirmgroup.com](http://www.webfirmgroup.com).

### *What is the Adslot Acquisition?*

The Adslot Acquisition will involve the acquisition by Webfirm of all of the issued shares of Adslot from the existing Adslot Shareholders. In return, Webfirm will issue 171,428,571 Shares to the Adslot Shareholders.

Completion of the Adslot Acquisition is subject to the following conditions:

- (a) the approval by the Webfirm Shareholders; and
- (b) Webfirm raising new capital of at least \$3 million.

A general meeting of Shareholders has been convened by Webfirm for the purpose of satisfying the condition in sub-paragraph (a) above. The Entitlement Offer, which is underwritten by E L & C Baillieu Stockbroking Ltd, is being undertaken by Webfirm for the purpose of satisfying the condition in sub-paragraph (b) above.

Based on an issue price of \$0.035 per Share, and the issue of 171,428,571 Shares to the Adslot Shareholders, the Adslot Acquisition is being undertaken at an effective price of \$6,000,000.

On completion of the Adslot Acquisition and completion of the Entitlement Offer, the issued capital of Webfirm will be as follows:

Shareholder	No. of Shares	%
Current Webfirm Shareholders	198,558,520	40.6
Adslot Shareholders	171,428,571*	35.0
Webfirm Shareholders (who are issued Shares pursuant to the Entitlement Offer)	119,135,110*	24.4
<b>Total</b>	<b>489,122,201</b>	<b>100</b>

\*Note: These figures are based on an issue price of \$0.035 per Share and completion of the Entitlement Offer of 3 New Shares for every 5 Existing Shares and do not take account of rounding for fractions.



## *Background to the Adslot Acquisition*

The focus for the Webfirm business is across three key markets:

- (a) helping SME's profit from their online activity;
- (b) its search advertising and search syndication business; and
- (c) assisting companies to facilitate online media sales.

In the past year, Webfirm has identified several new opportunities (of which Adslot is one) to commercialise its advertising auction technology. Webfirm is continuing to evaluate new digital media opportunities, particularly those that will see Webfirm increase its ownership of technical intellectual property.

## *Adslot Business*

Adslot is an automated auction based advertising sales platform for display and video/TV inventory.

The classified advertisement sales section of the Adslot business allows classifieds publishers (for example - cars, employment, real-estate, dating services and holidays) to sell their search keywords (either as sponsorship campaigns or as bid for premium listings) in the same way that Google and Bing sell general search keywords. However, unlike Google and Bing, the Adslot platform allows the publisher to incorporate advertiser/agency specific discounts as well as quality scores, and combines a bid for position auction system with a standard booking at rate card mechanism.

The video/TV advertising sales section of the Adslot business is the only automated auction based platform specifically built to sell advertising spots for broadcast, cable and online TV. To facilitate the transition from a manual sales process to an automated sales platform, the Adslot technology incorporates all of the traditional TV booking criteria such as reach, frequency caps, advertisement break conflicts while moving to a market based pricing mechanism to maximize yield.

The Adslot technology has been developed over an eight year period. It includes certain unique features that are the subject of issued and pending patent applications. The technology provides benefits for both media owners and buyers – it solves the issue of falling prices and yields for publishers while giving buyers transparency and maximum control over the elements they believe will deliver the best return for their online advertising spend.

In its limited commercial use to date, the patented combinatorial auction technology underpinning the Adslot platform was successfully used by the Victorian Department of Primary Industries to increase yields from their timber auctions. It has now been decided to launch the technology into the digital media industry, initially in the area of classified advertisements. In that area, in 2009 global sales were estimated at US\$31billion and Australian sales at in excess of US\$400million.

The revenue model for the Adslot business will focus on both licence fees and revenue sharing. With major publishers already starting to recognise the potential of the Adslot platform, the first commercial trial of the technology in the classifieds space will commence in January 2010. The intention is to expand the business internationally as soon as practicable after the Australian trial.

The funds raised by the Offer will be used by Webfirm to fund the further technical development of the platform, commercialisation of the Adslot sales platform in Australia and some early stage promotion of the product internationally.

#### *What are the benefits of the Adslot Acquisition?*

- The Adslot Acquisition will give Webfirm a new focus as a solution provider to the \$420 billion global advertising industry.
- The Adslot business is complementary to the existing Webfirm business, with strong potential for synergies.
- With 100% ownership of Adslot and its platform technology, the Directors believe Webfirm is well placed to become the leading platform to automate the sale of premium advertising inventory. The merged businesses of Webfirm and Adslot will provide greater funding certainty and opportunities to commercialise Adslot technology in Australia and overseas.
- There is already recognition by the major publishers of the potential of the Adslot platform and Webfirm believes that there is an immediate global market for such services.

#### *What are the disadvantages of the Adslot Acquisition?*

- As a result of the Adslot Acquisition, it is unlikely Webfirm will be in the position to undertake other immediate merger and acquisition opportunities (should those opportunities arise).
- There will be a significant dilution of the interests of the existing Shareholders resulting from the issue of the Shares to the Adslot Shareholders.

#### *What are the risks of the Adslot Acquisition?*

The Directors of Webfirm have set out below a summary of some of the risks faced by it in undertaking the Adslot Acquisition. The risks noted below should not be taken to be an exhaustive description of the risk faced by Webfirm. The risks below, and others not specifically referred to below, may in the future affect the financial and operational performance of Webfirm and its Shares.

- The Adslot sales platform technology is largely unproven in the commercial area. There can be no assurance that the technology will perform in accordance with expectations and, even if it does so, that Webfirm will be able to successfully commercialise it.
- There can be no assurance that other parties will not develop technologies that directly or indirectly compete with, or supersede, the Adslot platform technology.
- There may be unexpected changes in customer demand or expectations for the existing technology.
- The combinatorial auction technology underpinning the Adslot platform may provide similar, greater or lesser results in the media industry than it has in other industry applications.
- Webfirm's competitors in Australia and overseas are numerous and include major multinational companies. There can be no assurance that Webfirm's competitors will not succeed in developing technologies that are more effective or which are able to be delivered to the market or gain market acceptance faster and to the detriment of the Adslot platform.

## ASX ANNOUNCEMENT / NEWS RELEASE

18 December 2009

### Webfirm Group and Adslot to merge

- ***Creates groundbreaking automation platform for US\$420 billion<sup>1</sup> global advertising market***
- ***Fully underwritten \$4.2 million Entitlements Offer to facilitate commercialisation of Adslot's unique-in-market technology***

Webfirm Group Limited (ASX: WFM) (Webfirm) today executed an agreement to merge with Adslot Pty Ltd (Adslot).

Under the agreement, and subject to Webfirm shareholder approval, Webfirm will acquire all of the shares in Adslot for a total consideration of \$6 million to be paid in the form of Webfirm shares (issued at 3.5 cents per share) to Adslot shareholders.

The merger will deliver Webfirm unfettered global rights within the media space to commercialise the patented combinatorial auction technology underpinning the Adslot platform.

Adslot automates the media sales process and significantly improves yields of premium advertising inventory.

To support Adslot's growth strategy, Webfirm today also announced plans to raise \$4.2 million through a fully underwritten, non-renounceable Entitlements Offer to Webfirm shareholders.

The proposed merger supersedes the announcements the two companies made in September and October of 2009 outlining plans for a 20 per cent investment and joint venture, respectively.

Webfirm Chairman Adrian Giles said: "The merger with Adslot represents a strong addition to the Company's existing businesses. This technology refocuses Webfirm as a key solution provider to the US\$420 billion global advertising market with an initial focus on the A\$433 million Australian classifieds industry. Adslot will become a major pillar of our future strategy."

"Webfirm and Adslot together create an independent player offering publishers an automated ad sales platform that uses the latest auction technology to strengthen their position against competitors such as Google," Mr Giles said.

Andrew Barlow, Chairman of Adslot, said: "Publishers' yields are under pressure as new inventory, competition from Google and cost-per-click models steadily erode their ability to sell premium ad space optimally.

"The unique patented technology powering Adslot is the only framework that overcomes the issues of discounting and falling yields by providing transparency, competitive tension and limitless combinations of variables that allow the bidder to determine and pay for exactly those elements they believe will deliver maximum return from their online advertising spend."

1: Worldwide Advertising Spending 2009 – Pricewaterhouse Coopers.

## Overview of the proposed merger and Entitlements Offer

- Under the merger agreement, and subject to Webfirm shareholder approval, Adslot shareholders will receive a total of \$6 million in the form of 171,428,571 Webfirm ordinary shares issued at 3.5 cents per share.
- Webfirm will issue 122 Webfirm shares for every one (1) Adslot share. Webfirm post-merger, and prior to the Entitlements Offer, will be owned approximately 54 per cent by current Webfirm shareholders and 46 per cent by Adslot shareholders.
- Two Adslot directors, Andrew Barlow (Chairman) and Anthony Du Preez (Chief Technology Officer) will join the Webfirm Board and retain executive roles in the merged business.
- Webfirm will raise \$4.2 million through a fully underwritten non-renounceable Entitlements Offer, under which Webfirm and Adslot shareholders as at 18 January 2010 will be entitled to purchase 0.6 of a share in the combined entity for every Webfirm share they own.
- The Entitlements Offer is priced at 3.5 cents per share, the same price at which new Webfirm shares will be issued to Adslot shareholders.
- The Entitlements Offer has been fully underwritten by E. L. & C. Baillieu Stockbroking Ltd, with the sub underwriters including Chris Morris (Executive Chairman of Computershare) and Adrian Giles (Chairman of Webfirm Group).
- The Entitlements Offer will open on 19 January 2010, and close on 4 February 2010.
- The proposed merger and Entitlements Offer are conditional on a Webfirm shareholder vote to be held at an Extraordinary General Meeting (EGM) on 28 January 2010. Grant Thornton has been engaged to provide an Independent Expert's Report on the proposed merger. A copy of this report will be dispatched to Webfirm shareholders with the Notice of Extraordinary General Meeting (EGM) and also lodged with the Australian Securities Exchange.

## Background on the Adslot platform and advertising market

The technology underpinning the Adslot platform was recently awarded a US patent for its unique methodology that addresses the limitations of commonly used sealed bid auctioning of key words. Sealed bid auctions lack transparency and the absence of competitive tension lowers revenue outcomes.

Adslot achieves better results for the seller – and increases transparency and trust among bidders – by giving bidders real time feedback on the exact bid each needs to make to win while also taking into account relevant 'quality scores' that weight bids accordingly. Quality scores ensure that the most relevant ads appear to consumers and are the basis for measuring the quality of keywords and determining minimum bids.

Adslot uses the Microsoft Azure 'cloud computing' platform, offering clients a highly scalable solution to deliver the extraordinary amount of computer processing power Adslot requires at very low cost.

The global advertising market is worth an estimated US\$420 billion according to Pricewaterhouse Coopers and is set to continue to grow. In Australia alone, Interactive Advertising Bureau Australia figures show total online advertising expenditure for classifieds advertising (Adslot's initial commercialisation focus) for the three months to 30 September 2009 was A\$108.25 million. Expenditure in this sector has increased in 25 of the past 30 consecutive quarters.

- ends -

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**Investor Relations:**

Damian Element  
Company Secretary  
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Email: damian.element@webfirmgroup.com

**About the Webfirm Group**

**Webfirm Group Limited** (ASX: WFM) is a full service digital media company with three divisions. **Webfirm** offers the full spectrum of web design and development services, including search engine marketing, optimisation, hosting, marketing consultancy, e-commerce, permission-based marketing, content management tools, and domain name management. **Searchworld** powers publishers' profits with premium quality search monetisation solutions. **Webfirm Media** represents advertising inventory from third-party Australian, US and UK-based websites and third party advertising networks to Australian advertisers and exclusively represents advertising on all Navteq navigational maps. With more than 60 staff across Melbourne, Sydney and Perth Webfirm continues to develop products and services aimed at helping customers do better business on the Internet. More information at [www.webfirmgroup.com](http://www.webfirmgroup.com)

**About Adslot**

Adslot builds and operates large scale 'private electronic marketplaces' for media publishers to sell premium ad inventory to agencies and self-serve advertisers. The Adslot sales platform uses proprietary mathematical algorithms to maximise yield for TV, video, display and text ads using a patented Book & Bid® sales methodology. Book & Bid® reduces the amount of inventory sold as remnant and maximises the yield by blending true market-based pricing with a fixed rate card. Adslot was established and is managed by a team of world class experts, including Chairman Andrew Barlow – one of the founders of Hitwise – and fellow Director, Anthony Du Preez, who co-founded Tradeslot Pty Ltd, which specialises in the design of sophisticated combinatorial monetization platforms in the supply chain space. For more information visit: [adslot.com](http://adslot.com)

# PROPOSED MERGER OF WEBFIRM AND ADSLOT

December 2009



## AGENDA

1. merger terms
2. management team
3. Webfirm Group
4. about Adslot
5. the global opportunity
6. summary



## SUMMARY OF PROPOSED MERGER TERMS

### Transaction

- merger of Webfirm and Adslot
- all scrip offer, subject to various conditions, and capital raising
- two Adslot directors to join Webfirm board

### Exchange ratio

- valuing Adslot @ A\$6 million and Webfirm at its on market value
- as part of the transaction A\$4.2 million capital will be raised via non-renounceable entitlement offer (fully underwritten)
- Adslot shareholders can participate in the entitlement offer

### Key conditions

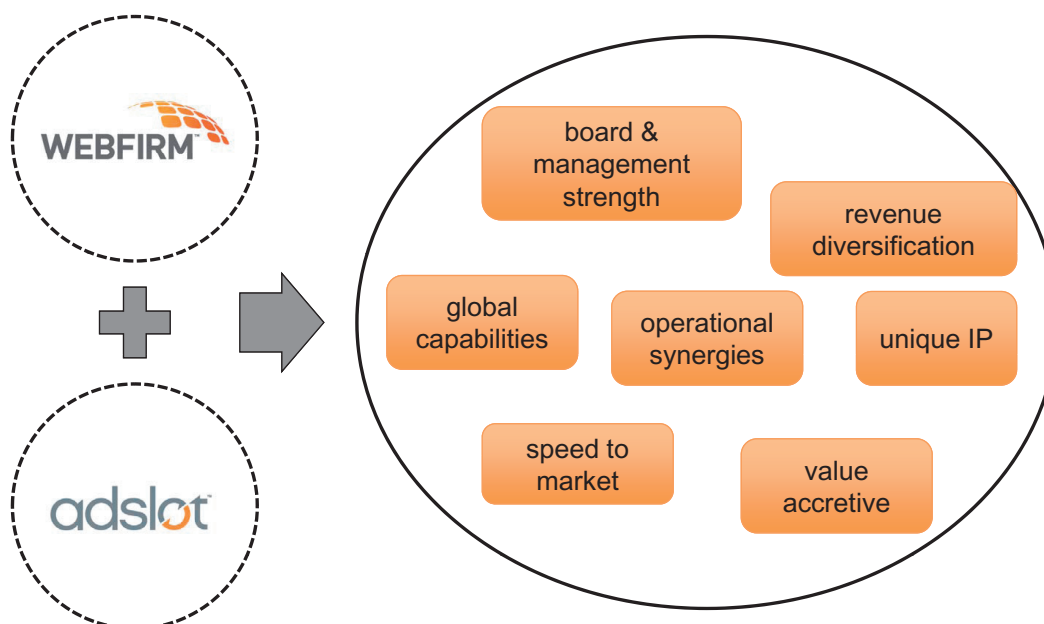
- successful capital raising of at least A\$3 million
- all Adslot employees to become Webfirm employees
- Webfirm shareholder approval

### Key benefits

- ability to refocus the company as a key solution provider to the US\$420 billion global advertising industry
- Adslot adds "key focus pillar" to Webfirm's existing portfolio of businesses



## CREATING A LEADING DIGITAL MEDIA COMPANY



## EXPERIENCED BOARD AND MANAGEMENT TEAM

- the Webfirm Board has a unique combination of skills and knowledge in online technology and marketing

				
<b>A. Giles</b>	<b>D. Burden</b>	<b>A. Vanzyl</b>	<b>A. Barlow</b>	<b>A. Du Preez</b>
Chairman	Managing Director & CEO	Director	Director Former Adslot Director	Director Former Adslot Director
Founder Hitwise. Angel Investor	Founder Legion Interactive.	Former CTO Sausage Software, Looksmart, Microsoft.	Founder Hitwise. Mentor Capitalist	Founder Adslot

Webfirm corporate management very experienced including Damian Element  
(Group CFO and Company Secretary)



## SHAREHOLDER BENEFITS

- further development of Webfirm into a leading digital media company
  - Adslot technology has the potential to revolutionise the way traditional & digital advertising inventory is bought and sold
  - Adslot adds “key focus pillar” to Webfirm’s existing portfolio of businesses
  - Adslot is complementary to existing Webfirm business, with strong potential for synergies to be realised
- unique IP with global relevance and strong patents
- increased geographic and revenue stream diversification
- early market mover in automation of outdated ad sales models
- ability to refocus the company as a key solution provider to the global US\$420 billion advertising industry
- initial focus on the A\$433 million Australian classifieds industry





## ANTICIPATED TRANSACTION TIMETABLE

merger agreement signed & deal announced	18 December 2009
information sent to Webfirm shareholders	11 January 2010
record date for determination of entitlements	18 January 2010
right issue applications open	19 January 2010
Webfirm EGM to approve transaction	28 January 2010
rights issue closes	4 February 2010
commence trading as merged business	12 February 2010
allot and dispatch new entitlement shares	17 February 2010



## WEBFIRM GROUP UPDATE

	SEARCHWORLD	WEBFIRM	mapmedia
<b>Historical</b>	<ul style="list-style-type: none"> <li>• inherited business.</li> <li>• had no IP</li> <li>• reliant on 3<sup>rd</sup> parties</li> <li>• volatile business model</li> </ul>	<ul style="list-style-type: none"> <li>• inherited business.</li> <li>• strong customer base mainly WA</li> <li>• strong SME knowledge &amp; processes</li> </ul>	<ul style="list-style-type: none"> <li>• new business</li> </ul>
<b>Major Developments</b>	<ul style="list-style-type: none"> <li>• developed new IP – feed management suite</li> <li>• established a global operation</li> </ul>	<ul style="list-style-type: none"> <li>• strengthen development processes &amp; people</li> <li>• successfully expanded operation into Victoria</li> <li>• improved sales process and built larger sales team</li> </ul>	<ul style="list-style-type: none"> <li>• 3 Year exclusive licence agreement to operate the sales of all navigational media for Navteq</li> </ul>
<b>Outlook &amp; Focus</b>	<ul style="list-style-type: none"> <li>• business model remains volatile. Significant cost reductions made due to reduction of current monthly revenue to \$35K - \$60K</li> <li>• future direction is to sell IP as a service</li> <li>• If not successful may focus Searchworld resources on Adslot in 2010</li> </ul>	<ul style="list-style-type: none"> <li>• business is producing month on month revenue growth</li> <li>• has invaluable learning's, relationships, processes &amp; people to leverage the long tail SME into the Adslot open market place</li> </ul>	<ul style="list-style-type: none"> <li>• long lead time but sales traction starting</li> <li>• pipeline is building</li> <li>• potential opportunities with Adslot technology</li> </ul>



## WEBFIRM VISION

- **Phase one (2008- 2009) - establishing the right foundations.**
  - **new unified Board** - comprising successful entrepreneurs with deep industry expertise and CEO with strong track record of execution capability
  - **rebranded to Webfirm Group Limited**, reflecting broader range of customers, products and services
  - **restructured operations** – divided into three lines of business, cut non-performing projects, implemented extensive cost reduction program
- **Phase two (2010 -2011+) – building a leading digital media company with a global footprint**
  - **Adslot** becomes a major pillar of our forward success
  - has potential to revolutionise the way advertising inventory is bought and sold
  - complementary to existing Webfirm business – with strong synergies
  - **ability to refocus the company as a key solution provider to the US\$420 billion advertising industry**



## MARKET OPPORTUNITY – GLOBAL

### Advertising spend: Worldwide

Worldwide advertising spending will reach \$421 billion in 2009, Jun 09

	2009 (\$m)	2013 (\$m)	CAGR (%)
All media	421,087	467,321	-0.5
Television	149,076	168,414	0.0
Newspapers	92,671	91,820	-3.7
Internet	58,717	86,728	7.7
Consumer magazines	29,818	33,279	-1.1
Directories	29,191	28,611	-3.8
Radio	28,661	28,070	-2.9
Outdoor	26,871	30,484	1.1
Trade magazines	16,252	17,430	-2.3
Video games	1,588	2,622	13.8

www.DigitalStrategyConsulting.com

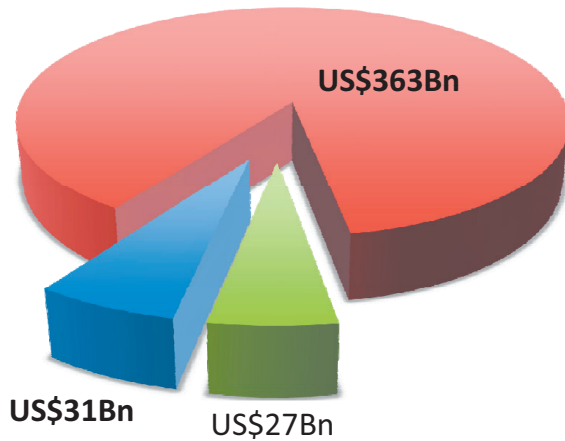
Source: PricewaterhouseCoopers, Jun 09

4738

Interpretation: CAGR = Compound Annual Growth Rate, internet includes wired and mobile



## MARKET OPPORTUNITY – NOT JUST ONLINE



Total Ad Spend Worldwide  
US\$421billion

■ Adslot Classifieds and Display  
Market Opportunity

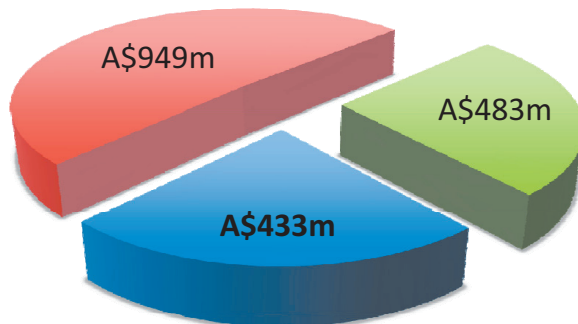
■ Adslot Total Potential Market  
(requiring automation)

■ Existing Automated Market  
(Search e.g. Google, Yahoo)

Source: PWC- IAB 2<sup>nd</sup> Qtr 09



## INITIAL TARGET MARKET – AUSTRALIAN CLASSIFIEDS PUBLISHERS



Australian Online  
Ad Spend  
(Annualised estimate 2010)

■ Classifieds (23%)

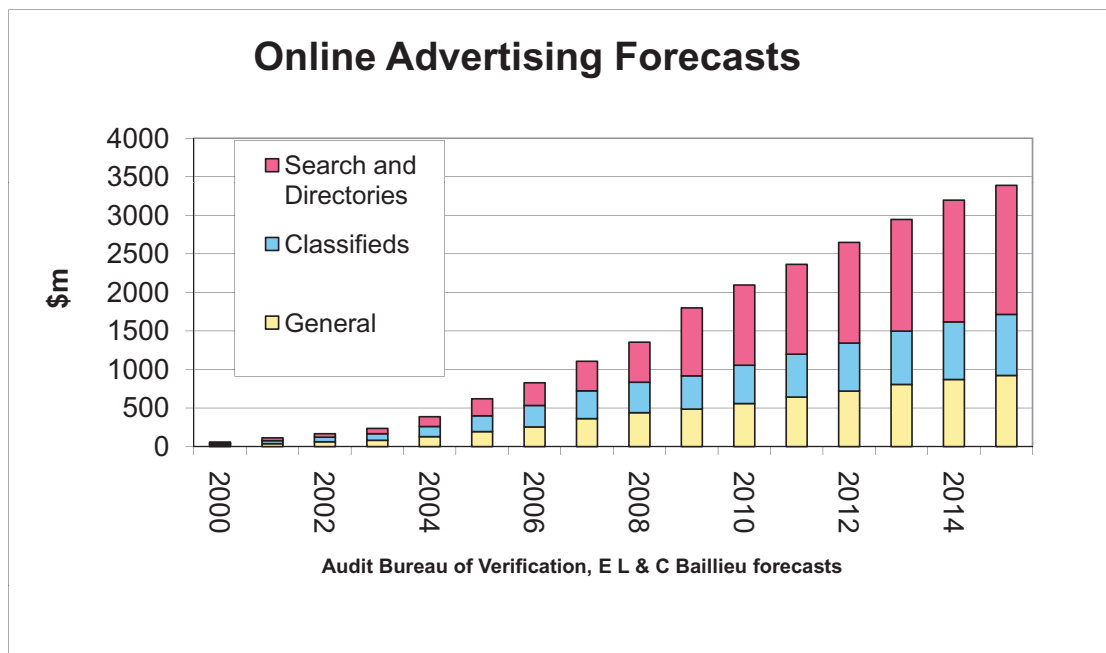
■ Search & Directories (51%)

■ General Display (26%)

Source: PWC- IAB Quarter ending 30/9/09. Annualised  
estimate multiplies Q3/09 figures & assumes no growth



## INITIAL TARGET MARKET – AU CLASSIFIEDS

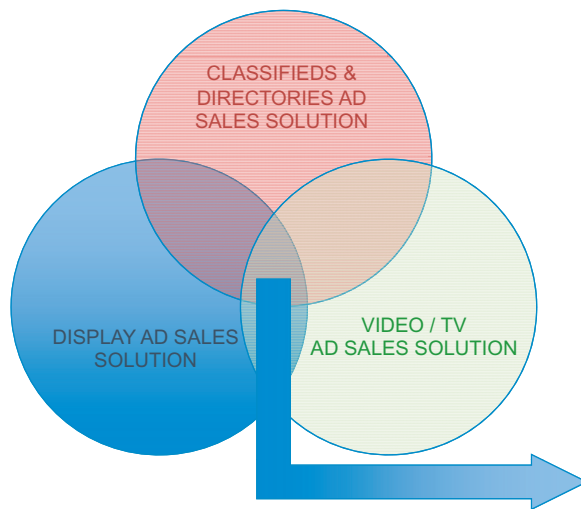


## WHY PUBLISHERS NEED AN AUTOMATED COMBINATORIAL AUCTION PLATFORM TO OPTIMISE REVENUE

- online classifieds publishers
  - threatened by Google (e.g. move into real estate market)
  - enhanced premium listings sales process (bid for top positions)
- online display publishers
  - flexible automation platform as publishers move from basic CPM to CPC or hybrid model
  - creating open marketplace to sell optimally into the long-tail of SME's
- online video/TV publishers
  - online TV ad inventory much more complex sales vs. broadcast TV (bid for spot/impression)



## ADSLOT PRODUCTS / SOLUTIONS



**Classifieds and Directories ad sales solution.** For classifieds publishers (autos, jobs, real-estate, travel) to automate the sales process. An automated auction-based platform for publishers to sell display ads against classifieds search keywords

**Display ad sales solution.** For general display ad publishers to automate the sales process. An automated auction-based platform to sell display/video ads by sites/sections/categories

**Video/TV ad sales solution.** For TV networks to automate the sales process. An automated auction-based sales platform to sell TV ad spots in broadcast and online TV shows

**Open Marketplace.** An independent marketplace that allows buyers and sellers to buy and sell advertising inventory in an auction based environment



## HOW ADSLOT COMPARES TO ADWORDS



### Auction Based Automated Ad Sales Platform

Bid for Spot	Bid for Position
CPM, CPC, Hybrid	CPC Only
Book & Bid	Bid Only
Upfront Sales	Continuous Auction
Discounts + Quality Score	Quality Score
Text, Display, Video	Text Only
Owned by Publisher	Owned by Google
Package Bidding	Individual Keywords Bids



# AUTOMATED SALES PLATFORM FOR KEYWORDS

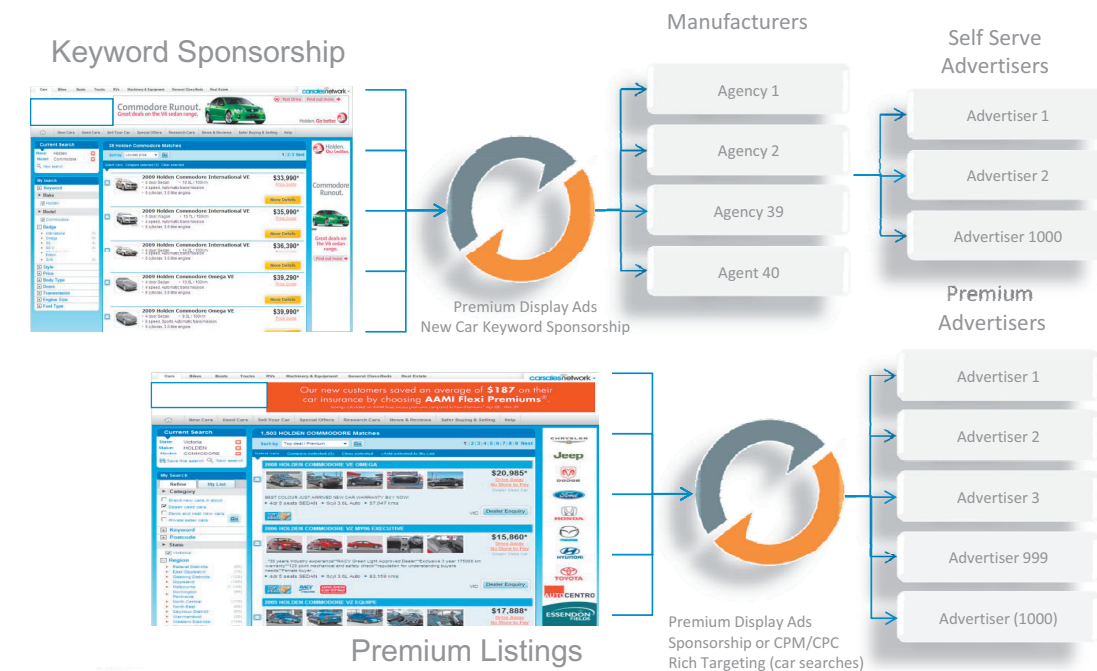


Diagram for illustrative purposes only



# AUTOMATED SALES PLATFORM FOR KEYWORDS

administrator | Log Off

DEMO Stage: Stage 1 Home Reports Admin ? Help

Buy All Discount Term Type Round Information Totals

Buy All Clear All 99.99% 12M Both 1 1 30/09/2009 6:25:31 PM 04:40 \$99,999,999.99 99.99%

Make	Model	Inventory	Term	Unit	Book	Discount	Price	Status	Current Spend
alfaromeo	159	99,999,999	12M	Both		99.99%	\$999.99		\$0
alfaromeo	147	99,999,999	12M	Both		99.99%	\$999.99		\$0
alfaromeo	spider	99,999,999	12M	Both		99.99%	\$999.99		\$0
alfaromeo	brera	99,999,999	12M	Both		99.99%	\$999.99		\$0
alfaromeo	gt	99,999,999	12M	Both		99.99%	\$999.99		\$0
asiamotors	km828	99,999,999	12M	Both		99.99%	\$999.99		\$0
astonmartin	db5	99,999,999	12M	Both		99.99%	\$999.99		\$0
astonmartin	db9	99,999,999	12M	Both		99.99%	\$999.99		\$0
astonmartin	v6	99,999,999	12M	Both		99.99%	\$999.99		\$0
audi	s6	99,999,999	12M	Both		99.99%	\$999.99		\$0

WEBFIRM Publisher Platform Powered by adslot



## LOOKING FORWARD

- the funds raised will be used to commercialise the existing platform developing the classified markets firstly in Australia and for early stage promotion in the US and Europe
- in addition the existing platform will be further developed to capitalise on video sales and create an open ad marketplace
- **Year 1**
  - prove benefit of platform to Australian classifieds publishers
  - develop open marketplace platform
  - commence negotiations with major US classifieds publishers
- **Year 2**
  - sell platform to multiple US classifieds publishers
  - commence operation of Australian open marketplace
  - develop video advertising auction platform



## IN SUMMARY...

- further development of Webfirm into a leading digital media company
- unique IP with global relevance and strong patents
- increased geographic and revenue stream diversification
- early market mover in automation of outdated ad sales models
- ability to refocus the company as a key solution provider to the global US\$420 billion advertising industry with immediate focus on the A\$433 million Australian classifieds industry



## DISCLAIMER

The information contained in this presentation is given in good faith and has been prepared from information believed to be accurate and reliable. The information presented does not take into account your individual financial circumstances and it is not designed to be a substitute for specific financial or investment advice or recommendations and should be relied upon as such. You should consider talking to your financial adviser before making an investment decision. So far as the law allows, Webfirm Group Limited excludes all liability for any loss or damage whether direct, indirect or consequential.

This presentation includes forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Webfirm Group Limited, and which may cause actual results to differ materially from those expressed in this presentation.





# HOW TO APPLY

## 1. The Entitlement Offer

Eligible Shareholders are being offered the opportunity to subscribe for 3 New Shares for every 5 Webfirm ordinary shares (**Existing Shares**) held at 7:00pm (AEDT) on Monday, 18 January 2010 (**Entitlement**) at an issue price of \$0.035 per New Share (**Issue Price**).

Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement. Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if, and to the extent that Webfirm so determines, in its absolute discretion, having regard to circumstances at the time of the close of the Entitlement Offer. Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer. Webfirm may apply any scale-back (in its absolute discretion) to applications for Additional New Shares.

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights (pro-rata) issues to be offered without a prospectus or other disclosure document. As a result, it is important for Eligible Shareholders to read and understand the information on Webfirm and the Entitlement Offer that is publicly available prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Entitlement Offer Booklet, the Investor Presentation, Webfirm's interim and annual reports and other announcements made available at [www.webfirmgroup.com](http://www.webfirmgroup.com).

Your Entitlement (to New Shares) is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated on the basis of 3 New Shares for every 5 Existing Shares held by you on the Record Date, namely 7:00pm (AEDT) on Monday, 18 January 2010. In calculating entitlements to New Shares, fractional entitlements have been rounded up to the nearest whole share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with all Existing Shares on and from their date of issue.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual number of New Shares you may be permitted to take up. For example, if you are holding Existing Shares on behalf of a U.S. Person as defined below (see definition of Eligible Shareholder in Important Information), you will not be entitled to take up that part of your Entitlement to New Shares that is referable to those Existing Shares.

### Nominees

The Entitlement Offer is being made to all shareholders on the register of Webfirm on the Record Date (7:00pm (AEDT) on Monday, 18 January 2010) with an address in Australia or New Zealand. Webfirm is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Webfirm is not able to advise on foreign laws.

## 2. Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, solicitor or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer.

## 3. Acceptance of all or part of your Entitlement

If you decide to take up all or part of your Entitlement please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY by following the instructions set out on the Form.

Webfirm will treat you as applying for as many New Shares as your payment will pay for in full. Amounts received by Webfirm in excess of your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional New Shares (see item 5 below) as your Excess Amount will pay for in full. If you are paying by BPAY, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares specified on the Entitlement and Acceptance Form to which that Customer Reference Number applies.

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements that lapse or they do not take up.

If you take up, and pay for, all or part of your Entitlement before the close of the Entitlement Offer at 5:00pm (AEDT) on Tuesday, 9 February 2010, you will be allotted your New Shares on or about Tuesday, 16 February 2010.

Webfirm reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

By completing and returning your personalised Entitlement and Acceptance Form with the Application Monies or by making a payment by BPAY, you will be deemed to have represented that you are an Eligible Shareholder (as defined in Important Information).

By completing and returning your personalised Entitlement and Acceptance Form with Application Monies, you will also be deemed to have represented on behalf of each person on whose account you are acting that: (a) you are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person; (b) you acknowledge that the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares (and New Additional Shares) may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

## **Payment by BPAY**

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement only in respect of such whole number of New Shares as are able to be paid for in full by your Application Monies.

**It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5:00pm (AEDT) on Tuesday, 9 February 2010** (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment and the timing of any such payment.

Any Application Monies received for more than your final allocation of New Shares and, if applicable, any Additional New Shares will, if and only if the amount is A\$1.00 or greater, be refunded on or around 23 February 2010. No interest will be paid to Applicants on any Application Monies received or refunded.

## **Payment by cheque, bank draft or money order**

You should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “Webfirm Group – Rights Offer” and crossed “Not Negotiable”.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.035 multiplied by the number of New Shares and Additional New Shares (see item 5 of this section) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Application Monies will pay for in full (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Entitlement and Acceptance Form (application for New Shares) may not be accepted.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will, if the amount is A\$1.00 or greater, be refunded on or around 23 February 2010. No interest will be paid to Applicants on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, that being **5:00pm (AEDT) on Tuesday, 9 February 2010**.

Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Forms together with Application Monies using the reply paid or self-addressed envelope provided with this booklet, or mail to:

Webfirm Group Limited  
C/o Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne, Victoria 3001  
Australia

#### **4. Additional New Shares**

If you take up your full Entitlement, you may apply, in addition to your subscription for all of your Entitlement, for Additional New Shares. If a shortfall arises (i.e. the aggregate number of New Shares applied for under the actual applications received for New Shares as at Tuesday, 9 February 2010 is less than the number of New Shares to be issued under the Entitlement Offer), Webfirm may issue some or all of these New Shares to shareholders who, in addition to taking up their full Entitlement, apply for Additional New Shares. If you wish to apply for Additional New Shares, you are required to complete the Entitlement and Acceptance Form in accordance with the instructions on the form and with item 3 of this section.

New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if, and to the extent that Webfirm so determines, in its absolute discretion, having regard to circumstances at the time of the close of the Entitlement Offer. Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer. Webfirm may refuse any application for Additional New Shares or apply any scale-back (in its absolute discretion) to any such applications.

# IMPORTANT INFORMATION

This Entitlement Offer Booklet (including the ASX announcement and Investor Presentation in relation to the Entitlement Offer and attached personalised Entitlement and Acceptance Form) (**Information**) have been prepared by Webfirm. The Information is dated 22 January 2010.

This Booklet contains certain information about Adslot and its business. To the extent that this Booklet includes statements concerning Adslot and its business or statements based on any statements of or concerning, or information provided by, Adslot in relation to itself or its business, Adslot and its directors have consented to the inclusion of each such statement in this Booklet in the form and context in which it is included.

No person (other than Webfirm) is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this booklet. No information or representation provided by any other party may be relied upon as having been authorised by Webfirm.

No party other than Webfirm has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

## **This Information is important and requires your immediate attention.**

You should read this Information carefully and in its entirety before deciding whether to invest in New Shares or Additional New Shares.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

Webfirm has applied to the ASX for official quotation of the New Shares. It is expected that normal trading on the ASX of New Shares issued under the Entitlement Offer will commence on Thursday, 18 February 2010. Webfirm disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the Official List of ASX or before receiving confirmation of their issue, whether on the basis of confirmation of the allocation provided by Webfirm, the share registry or the underwriter.

## **1. Eligible Shareholders**

This Information contains an offer of New Shares to Eligible Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Class Order 08/35.

Eligible Shareholders are those holders of Existing Shares who:

- are registered as holders of Existing Shares as at 7:00pm (AEDT) on Monday, 18 January 2010 (**Record Date**); and
- have a registered address in Australia or New Zealand; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Webfirm may, in its absolute discretion, also extend the Entitlement Offer to any shareholders in foreign jurisdictions who are registered as holders of Existing Shares as at the Record Date and do not have a registered address in Australia or New Zealand. For this to occur, the shareholders would need to be resident in a jurisdiction in respect of which Webfirm has determined:

- the receipt of the Entitlement Offer;
- the sale and exercise of Entitlements; and
- the subscription for New Shares by the relevant shareholder,

does not breach the securities laws applicable to that jurisdiction (**Eligible Foreign Shareholders**). It is not expected that Webfirm will exercise its discretion to extend the Entitlement Offer to any Shareholders who, as at the Record Date, have a registered address outside Australia or New Zealand.

Other than in relation to Eligible Foreign Shareholders, Webfirm has decided that it is unreasonable for Webfirm to make the Entitlement Offer generally available to Shareholders who, as at the Record Date, have a registered address outside Australia or New Zealand (**Ineligible Shareholders**). This decision has been made by Webfirm having regard to the number of Shareholders in each other jurisdiction, the number and value of Existing Shares held by those Shareholders and the costs of complying with the legal and regulatory requirements in those jurisdictions. In accordance with the Listing Rules, Entitlement and Acceptance Forms are not being sent to Ineligible Shareholders.

## **2. No cooling off rights**

Cooling off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw your application once it has been accepted.

## **3. No Entitlements Trading**

Entitlements are non-renounceable and will neither be tradeable on the ASX or NZX nor otherwise transferable.

## **4. Conditional on shareholder approval of Adslot acquisition**

The Entitlement Offer will only proceed if shareholders approve the acquisition of Adslot at the Webfirm general meeting to be held on 28 January 2009. If shareholder approval is not obtained for the acquisition, the Entitlement Offer will not go ahead.

## **5. Not investment or financial product advice**

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. Further, it is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Webfirm is not licensed to provide financial product advice in respect of the Existing Shares, New Shares or Additional New Shares. The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares.

Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

## 6. Taxation

Set out below is a summary of the Australian tax implications of the Entitlement Offer for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Existing Shares as capital assets. The summary applies only to those Eligible Shareholders who exercise their Entitlements and subscribe for, and are issued, New Shares and, in Webfirm's absolute discretion, Additional New Shares.

The summary below does not apply to Eligible Shareholders who hold their Existing Shares as assets used in the carrying on of a business or who may carry on the business of share trading, banking or investment.

In addition, the summary does not apply to Eligible Shareholders whose Existing Shares are held through an employee share plan or whose Existing Shares are held as revenue assets or trading stock.

The summary below also does not take account of any individual circumstances of any particular Eligible Shareholder. Different tax consequences may apply for those Eligible Shareholders that are non-residents of Australia for tax purposes and/or who hold their Existing Shares other than on capital account. Taxation is only one of the matters that must be considered when making a decision in relation to applying for New Shares or Additional New Shares. Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own licensed financial or tax advisers.

The summary below is based on the taxation law in effect as at the date of this Booklet.

### **Issue of Entitlements**

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Shareholder.

### **Exercise of Entitlements**

Eligible Shareholders who exercise their Entitlements and subscribe for, and are issued, New Shares and, if applicable, Additional New Shares will acquire those shares with a cost base for capital gains tax (**CGT**) purposes equal to the Issue Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring them. Those Shareholders will not make any capital gain or loss, or derive assessable income, from exercising their Entitlements or subscribing for the New Shares or Additional New Shares.

### **New Shares**

#### *Taxation of income for Eligible Shareholders*

Eligible Shareholders who exercise their Entitlements will acquire New Shares and, as applicable, Additional New Shares. Any future dividends or other distributions made in respect of those New Shares and Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

#### *Taxation of disposals for Eligible Shareholders*

On any future disposal of New Shares and Additional New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares and Additional New Shares. The cost base of those shares is described above, but, for these purposes, the cost base should also include a reasonable apportionment of the non deductible incidental costs on disposal.

New Shares will be treated for the purposes of the CGT rules as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Additional New Shares will be treated for the purposes of the CGT rules as having been acquired when Webfirm issues those Additional New Shares. In order to benefit from the CGT discount that may be available in respect of a disposal of those shares, the shares must have been held for at least 12 months after those dates before the disposal occurs.

#### *Taxation of a return of capital by Webfirm*

Where a return of capital is made by Webfirm, the cost base of the Eligible Shareholder's New Shares and Additional New Shares (as appropriate) for CGT purposes will be reduced by the amount of the return of capital, with any excess triggering a capital gain.

#### **Other Australian taxes**

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares and Additional New Shares.

### **7. Information availability**

Eligible Shareholders in Australia and New Zealand can obtain a copy of this Booklet and / or copies of any public documents or media releases or information concerning Webfirm during the period of the Entitlement Offer on the Webfirm website - [www.webfirmgroup.com](http://www.webfirmgroup.com) or by calling the Webfirm Shareholder Information Line on 1300 157 984 (local call cost from within Australia) or +61 3 9415 4048 (outside Australia) at any time from 8:30am to 5:00pm (AEDT) Monday to Friday during the Entitlement Offer period. Persons who access the electronic version of this Booklet should ensure that they download and read the entire Booklet. The electronic version of this Booklet on the Webfirm website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Webfirm Shareholder Information Line.

*Neither this Information nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, or otherwise distributed in the United States.*

### **8. Future performance and forward looking statements**

Neither Webfirm nor any other person warrants or guarantees the future performance of the New Shares, Additional New Shares or any return on any investment made in such Shares. Forward looking statements, opinions and estimates provided in the Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Webfirm and its Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Information.



## **9. Past performance**

Investors should note that the past share performance of Webfirm's Existing Shares provides no guidance as to future price performance.

## **10. Governing law**

This Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## **11. Foreign jurisdictions**

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under the Entitlement Offer are being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Neither the Entitlement Offer nor this Booklet constitutes an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the New Shares (and Additional New Shares) may constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares (and Additional New Shares) remain restricted securities, the New Shares (and Additional New Shares) may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of Webfirm.

## **12. Financial data**

All dollar values in this Booklet are in Australian dollars (A\$).

### **13. Underwriting**

Webfirm has entered into an underwriting agreement with E L & C Baillieu Stockbroking Ltd (**Underwriter**) under which the Underwriter has agreed to fully underwrite the Entitlement Offer.

Customary with these types of arrangements:

- Webfirm has indemnified the Underwriter and its directors, officers, employees, partners, agents and advisers against losses in connection with the Entitlement Offer; and
- the Underwriter may terminate the underwriting agreement and be released from its obligations on the happening of any of a range of events, including if:
  - ASIC takes action or commences an investigation into the Offer;
  - the Adslot Acquisition is not approved by the Shareholders or is not completed;
  - approval is not granted to the official quotation of New Shares on ASX or the approval is withdrawn or withheld;
  - a material adverse change in the business of Webfirm or its group from that disclosed;
  - a disruption in certain key global financial markets or hostilities commence in certain countries which has or is likely to have a material adverse effect on the Offer; and
  - statements in the offer materials are, or become, misleading or deceptive.

### **14. Optionholders**

Existing option holders in Webfirm will not be entitled to participate in the Entitlement Offer unless they:

- have become entitled to exercise their existing options under the terms of their issue and do so, so that they are registered as holders of Shares prior to 7:00pm (AEDT) on the Record Date; and
- participate in the Entitlement Offer as a result of being a holder of Existing Shares registered on the register of Webfirm at 7:00pm (AEDT) on the Record Date.

### **15. Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Webfirm, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Webfirm, or any other person, warrants or guarantees the future performance of Webfirm or any return on any investment made pursuant to this Information.

## GLOSSARY

Term	Definition
Additional New Shares	New Shares in excess of an Eligible Shareholders' Entitlement
Application Monies	Monies received from applicants in respect of their Applications
ASIC	Australia Securities and Investment Commission
ASX	ASX Limited ABN 98 008 624 691
ASX Listing Rules	The official listing rules of ASX
Corporations Act	Corporations Act 2001 (Cth)
Director	A director of Webfirm
Eligible Shareholder	<p>A Shareholder who:</p> <ul style="list-style-type: none"> <li>• is registered as a holder of Existing Shares as at 7:00pm (AEDT) on Monday, 18 January 2010 (<b>Record Date</b>); and</li> <li>• has a registered address in Australia or New Zealand; and</li> <li>• is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.</li> </ul>
Entitlement	The entitlement to 3 New Shares for every 5 Existing Shares held on the Record Date by Eligible Shareholders
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this booklet
Entitlement Offer	The offer of approximately 119,135,110 New Shares to Eligible Shareholders in the proportion of 3 New Shares for every 5 Existing Shares held at the Record Date at the Issue Price
Existing Share	A Share on issue before the Record Date
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder
Issue Price	\$0.035 per New Share issued under the Entitlement Offer
New Shares	The Shares offered under the Entitlement Offer
Record Date	The time and date for determining which Shareholders are entitled to an Entitlement under the Entitlement Offer, being 7.00pm (AEDT) on Monday, 18 January 2010
Share	Ordinary share in Webfirm
Shareholder	A registered holder of an Existing Share
Webfirm	Webfirm Group Limited ABN 70 001 287 510







# How to complete the Entitlement and Acceptance Form

Note that photocopies will not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

## A Securityholder Entitlement Details

Details of your Entitlement based on your Securityholding at 7pm (AEDT) on 18 January 2010 are shown in box A on the front of this Entitlement Form.

## B New Securities Accepted

You can apply to accept either all or part of your Entitlement. Enter in box B the number of New Shares you wish to accept from your Entitlement.

Please ensure you complete Section B on the bottom of the form.

## C Additional New Shares Applied for

If you take up your full Entitlement, you may apply, in addition to your subscription for all of your Entitlement, for Additional New Shares.

If a shortfall arises (i.e. the aggregate number of New Shares applied for under the actual applications received for New Shares as at Tuesday, 9 February 2010 is less than the number of New Shares to be issued under the Entitlement Offer), Webfirm may issue some or all of these New Shares to shareholders who, in addition to taking up their full Entitlement, apply for Additional New Shares.

Please ensure you complete Section C on the bottom of the form.

## D Acceptance Monies

Enter the amount of Acceptance Monies. To calculate the amount payable, multiply the number of New Shares applied for by A\$0.035.

Please ensure you complete Section D on the bottom of the form.

## E Payment Details

You can apply for shares utilising the payment options detailed below. **Please note that funds are unable to be directly debited from your bank account.**

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

- agree to all of the terms and conditions as detailed in the Offer Booklet dated 22 January 2010

Your cheque, money order or bank draft must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "Webfirm Group - Rights Offer" and crossed "Not Negotiable". Payments not properly drawn may be rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance form being rejected. Paperclip (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.

## F Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

The directors reserve the right to make amendments to this form where appropriate.

## Lodgement of Acceptance

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5pm (AEDT) on 9 February 2010. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the slip below must be received by Computershare Investor Services Pty Limited (CIS) Melbourne by no later than 5pm (AEDT) on 9 February 2010. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for security holders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

## Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 157 984.

This form may not be used to notify your change of address. For information please contact CIS on 1300 157 984 or visit the share registry at [www.computershare.com](http://www.computershare.com) (Issuer Sponsored Holders only).

**CHESS holders must contact their Controlling Participant to notify a change of address.**

## Payment Options:



Bill Code: 125021

Ref No: 1234 5678 9012 3456 78

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: [www.bpay.com.au](http://www.bpay.com.au)



Webfirm Group Limited  
Computershare Investor  
Services Pty Limited  
GPO Box 505  
Melbourne, Victoria 3001  
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAPLETOWN TAS 7000

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