



Webfirm Group Limited
Investor Update
28 February 2012

Presentation Overview

1. Webfirm Update

2. Adslot Update

- a. Recap on what Adslot does
- b. What we've learned and how we've changed since September 2011
- c. The New Adslot Product Suite
 - a. Adslot Premium
 - b. Adslot Direct
 - c. Adslot Create / AdChamp

Company Overview

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



Online marketing
solutions for small to
medium businesses



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



WEBFIRM[™] Division

Webfirm division now a positive contributor

- In September 2011, we advised the market that Webfirm division was to undergo a **strategic review** to determine its future strategy and focus
- We have **re-aligned the cost base** of this business and narrowed the focus to providing search engine optimisation services, search engine marketing (paid search advertising), hosting and social media marketing
- Since September 2011, the Webfirm division has been **profitable every month** to date (including January 2012), even after covering its share of corporate overheads
- We have decided to retain this division, and after a period of consolidation, we will look at ways to further leverage the growing **social media** and **search advertising** markets

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Division

Adslot Overview

- In September 2011, Adslot started pivoting away from providing highly customised, **bespoke** solutions towards building standardised **products**
- We are starting to see real benefits of this strategic evolution
- Since September 2011, Adslot has launched its end-to-end, self-serve platform for **SeLogger** in France, and subsequently signed **Carsales** and **Wotif** to the same product (now known as **Adslot Premium**)
- Adslot has also made significant progress in developing **new products** due for launch in H1 FY13



is changing the way
advertising is *bought* and *sold*

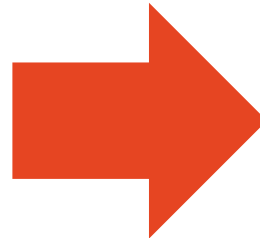
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What does that really mean?

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[illegible]

☒ Return ☐ One Way
 → Multi-City → Round the World

From:

To:

Depart:

Return:

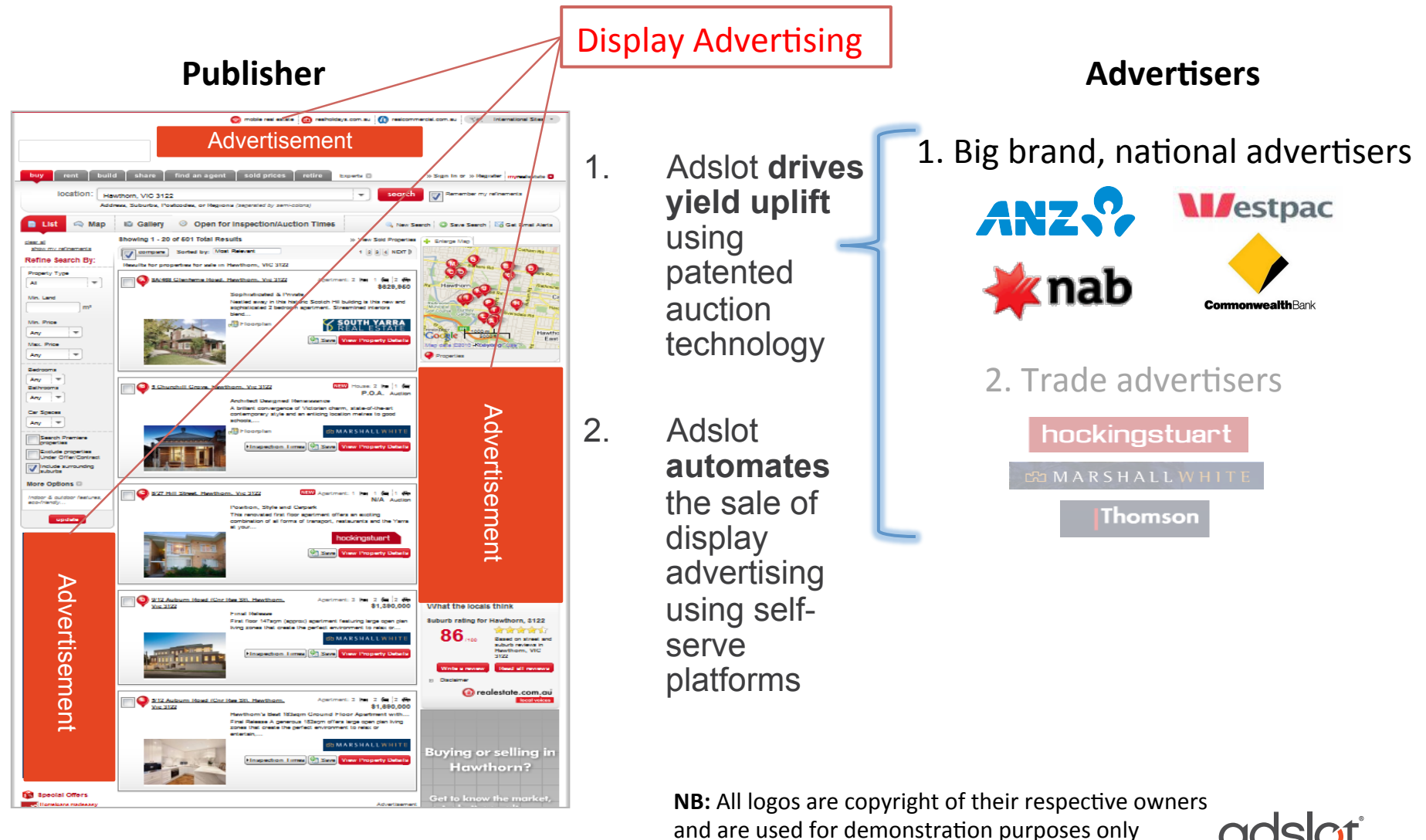
☐ Flexible with dates

Adults: Children: (2-11) Infants: (<2)

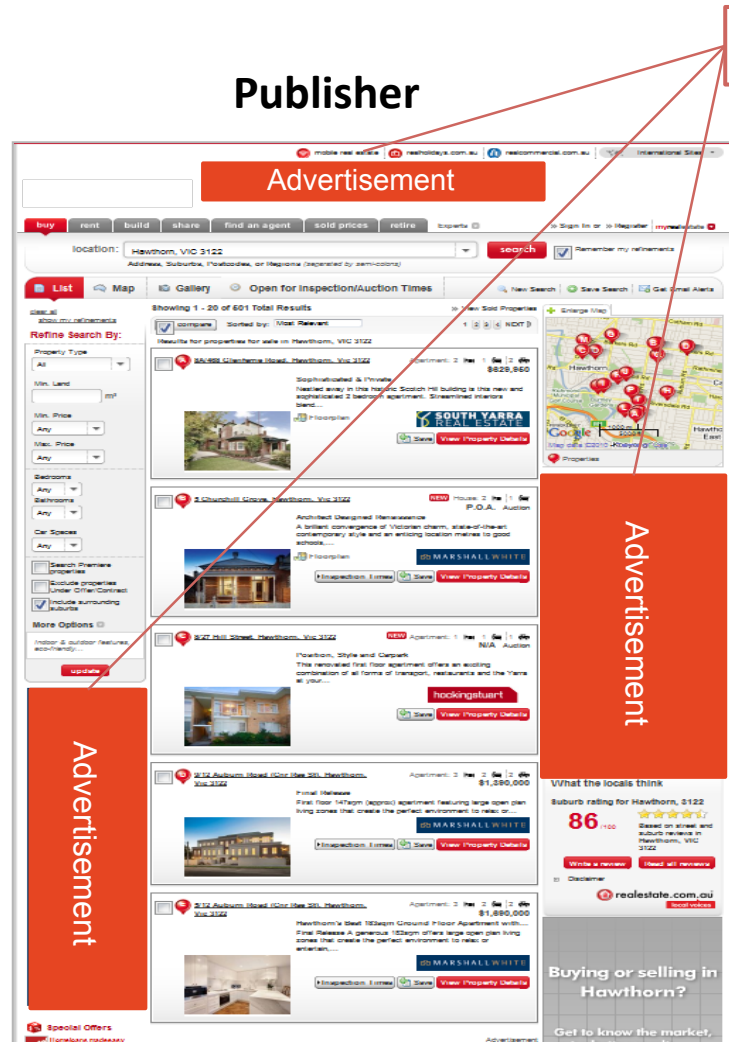


Changing the way advertising is bought & sold

Adslot optimises existing revenue from existing advertisers...



... and accesses new revenue from new advertisers



Display Advertising

Publisher

Advertisers

1. Adslot **drives yield uplift** using patented auction technology
2. Adslot **automates** the sale of display advertising using self-serve platforms

- ## 1. Big brand, national advertisers



- ## 2. Trade advertisers



- ### 3. Long-tail advertisers



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Changing the way advertising is bought & sold

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

For the **Publisher**:



Increased
revenues



Relationships with
advertisers



Reduced
cost-to-serve

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Where are we today?

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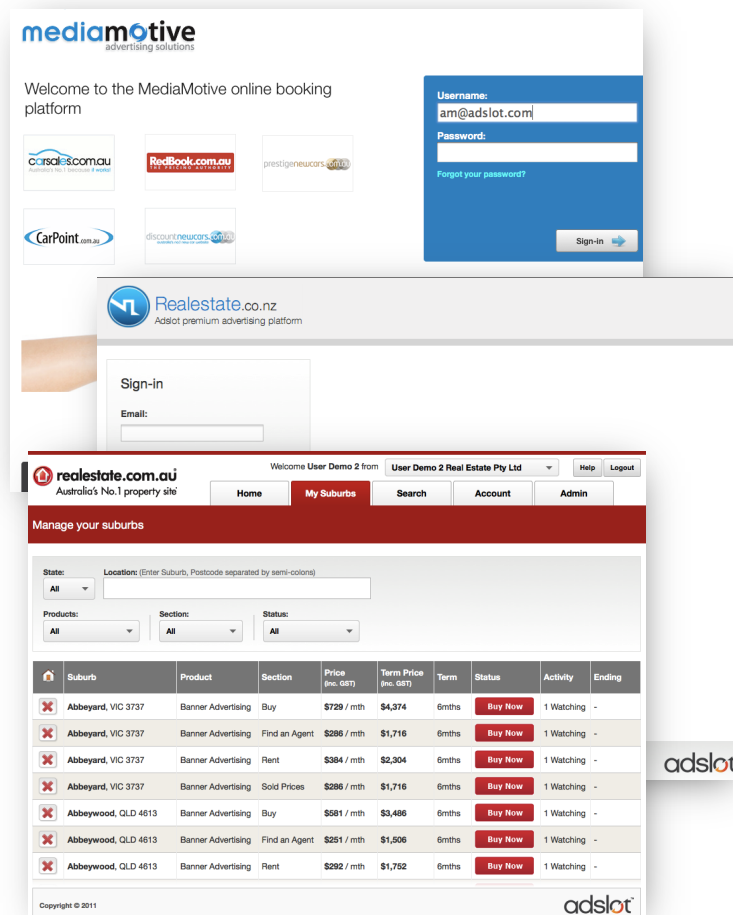
Big Vision, Big Names

- Successfully **acquired** and **integrated** three core pieces of proprietary technology
- Signed **five** of the biggest classifieds publishers in **three** countries
- All clients are **No. 1 market players** in three different classifieds verticals:
 - Automotive
 - Real Estate
 - Accommodation
- Early customers sold bespoke solutions, but we have now signed 3 customers to **Adslot Premium** (configurable product)



Changing the way advertising is bought & sold

The numbers so far



- More than **\$46 million** in advertising booked through Adslot to date
- Up from **\$10 million** 12 months ago
- **\$6 million** subject to rev share
- More than **4,000** advertisers using Adslot world-wide
- Generated additional revenue / uplift for our clients

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What have we learned?

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Adslot has evolved from bespoke solutions...

Adslot 1.0



- Highly customised bespoke solutions



- Complex sales process / long lead time



- Lengthy implementation



- Ongoing customisation



- Slow road to profitability

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... to standardised products

Adslot 1.0



- Highly customised bespoke solutions



- Complex sales process / long lead time



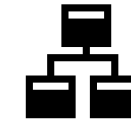
- Lengthy implementation



- Ongoing customisation



- Slow road to profitability



- Standardised products with specific configurations



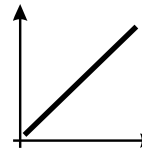
- Simple sales process / reduced lead time



- Faster implementation



- Flexible configuration



- Faster road to profitability

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Why is this shift so important?

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Simplicity

Scalability

Profitability

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Now a product focused business



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Adslot Premium

Target Market

- Worlds leading **classifieds** publishers
- Industries: Realestate, Auto, Jobs, Directories, Travel, Accommodation

Purpose

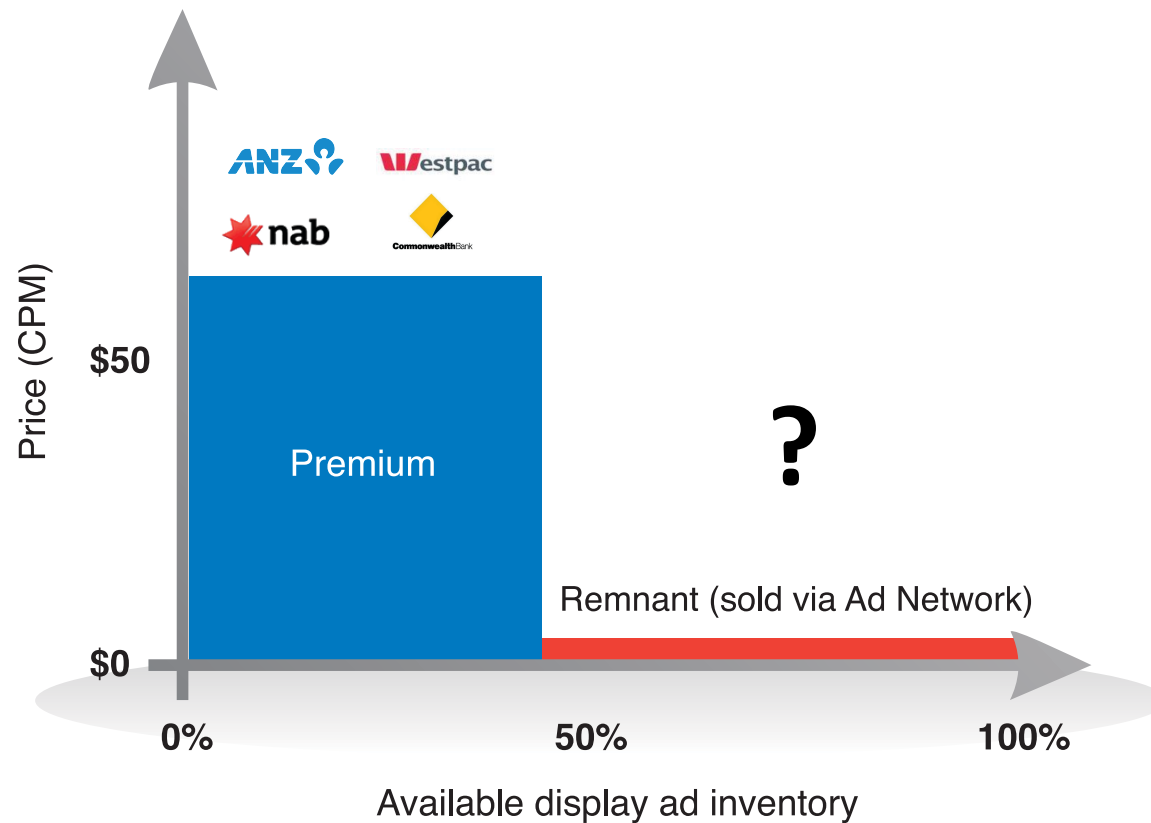
- To connect **publishers** directly with their **advertisers** (i.e. agents, dealers, etc.)
- To **automate** and **simplify** the buying process
- To **increase** revenue for publishers



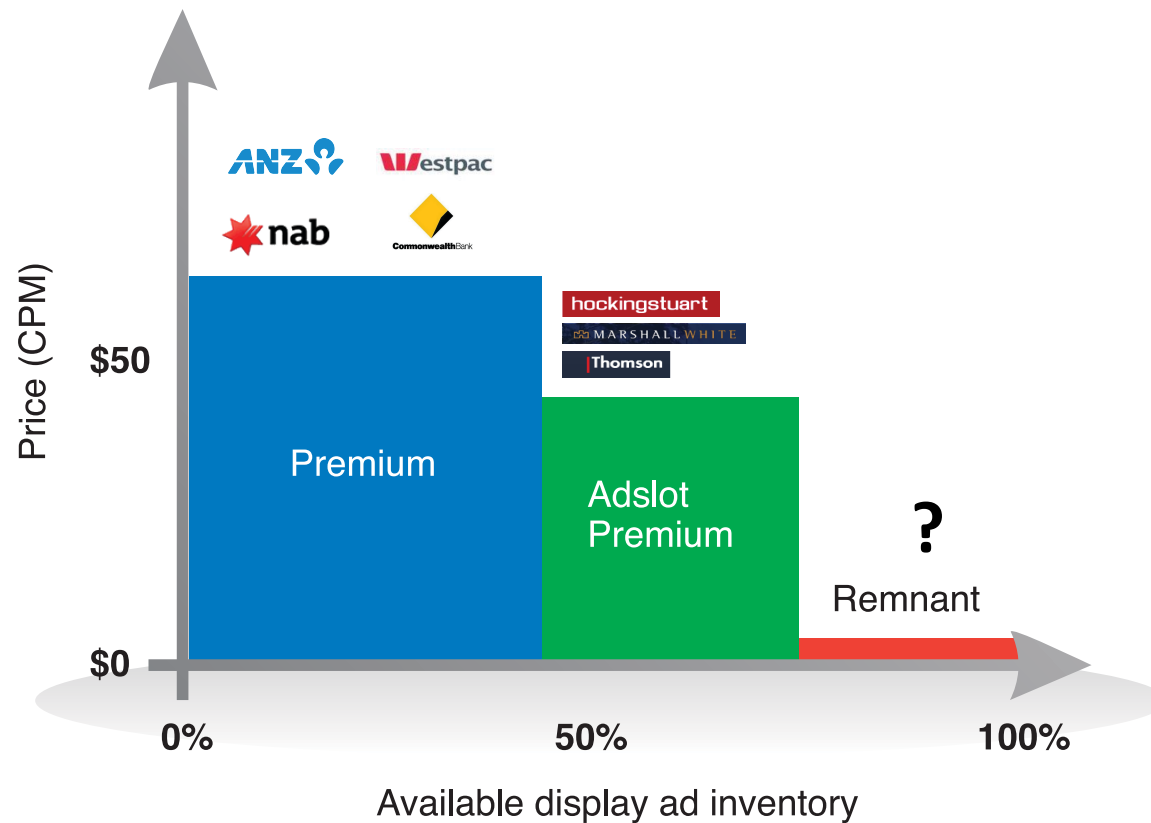
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Large classified publisher problem



What Adslot Premium does for large classifieds publishers



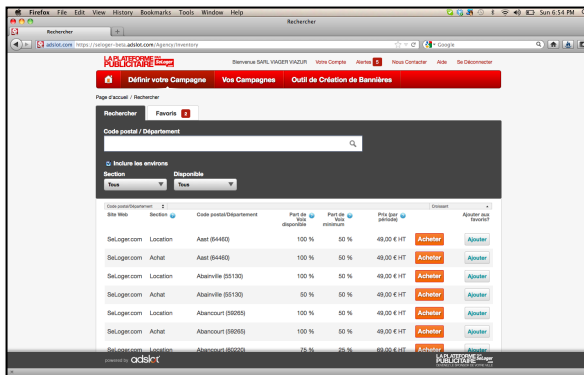
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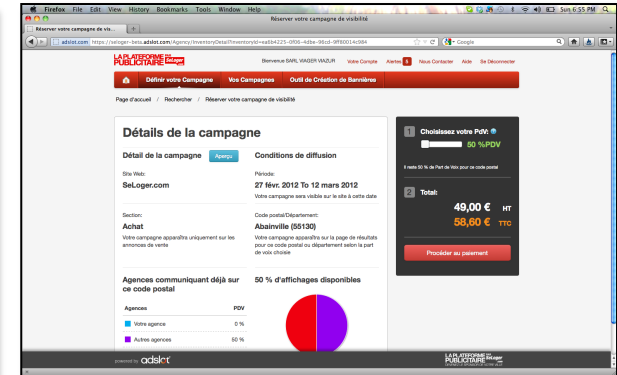


Selling suburb
sponsorship to
SeLogger Agents

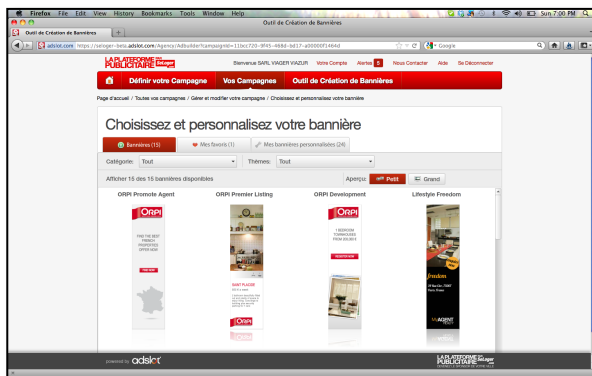
Adslot Premium



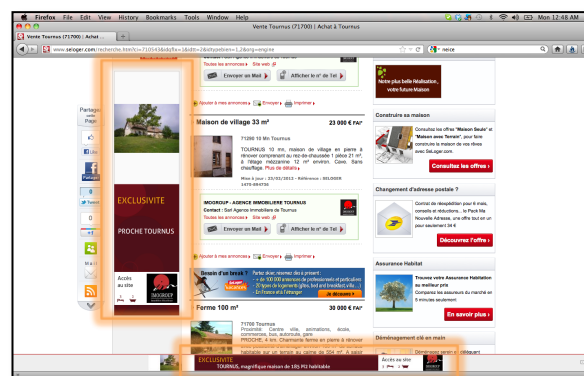
1. Find Inventory



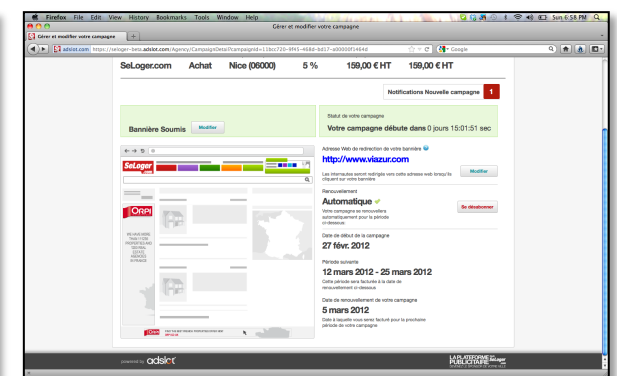
2. Buy Adslot



3. Build Ad



4. Deliver To Website



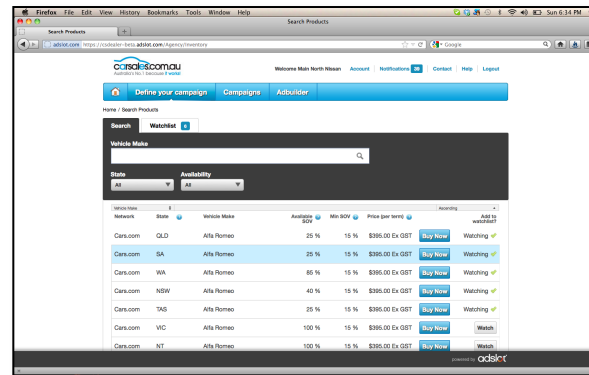
5. Report Ad Performance

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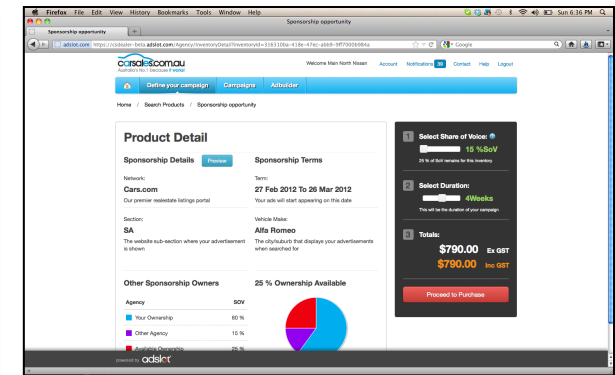
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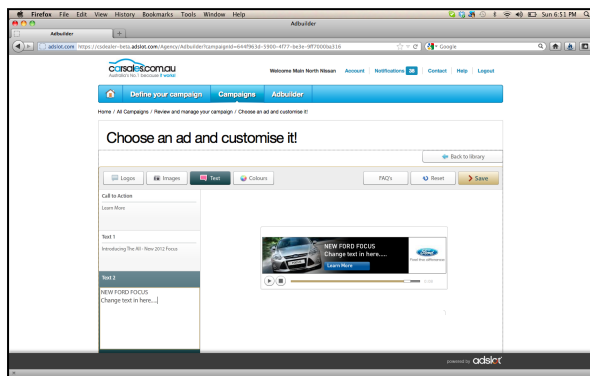
Adslot Premium



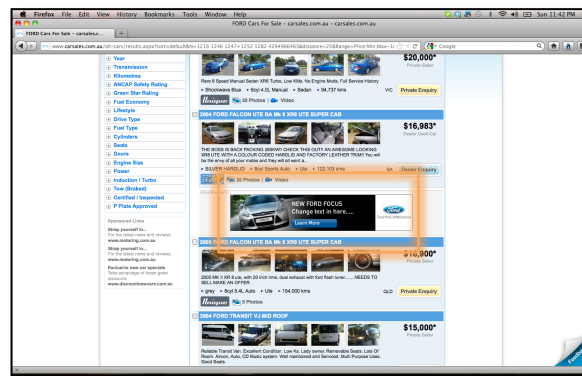
1. Find Inventory



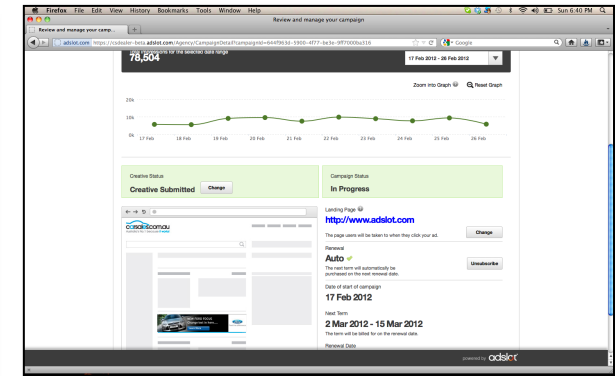
2. Buy Adslot



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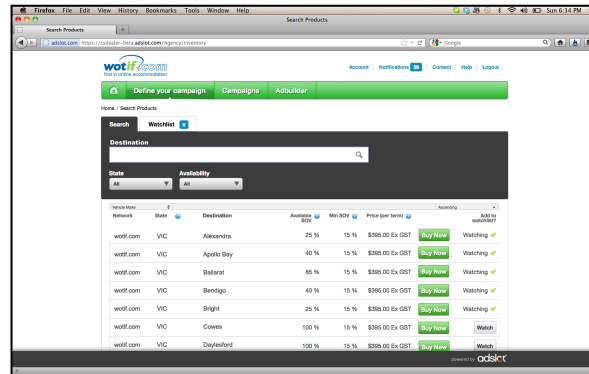


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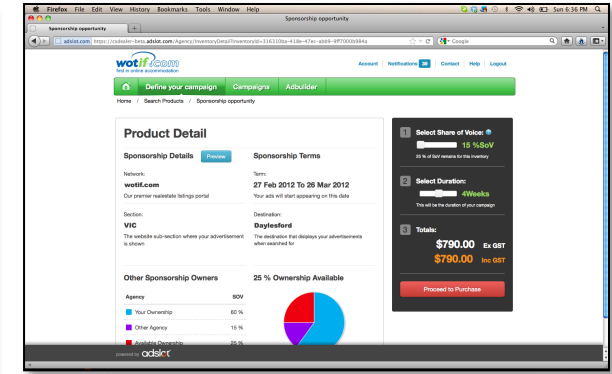


Selling destination
sponsorship to
accommodation
partners

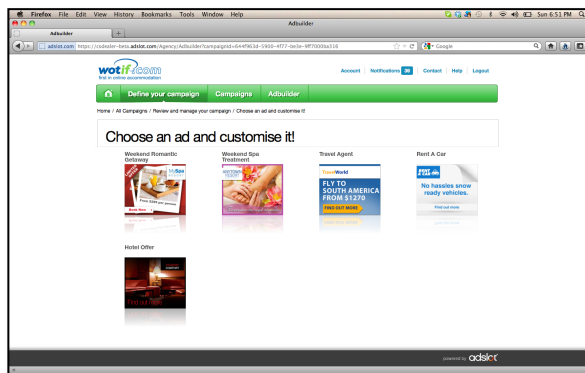
Adslot Premium



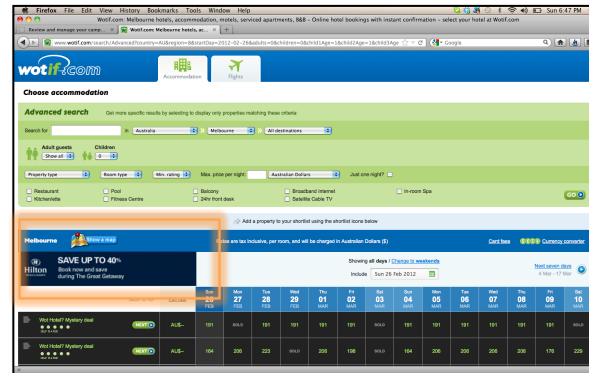
1. Find Inventory



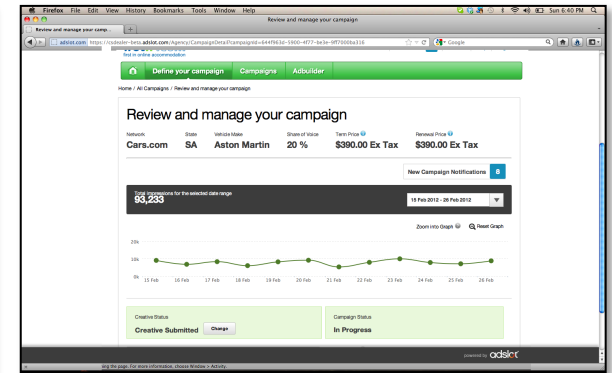
2. Buy Adslot



3. Build Ad



4. Deliver To Website



5. Report Ad Performance

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Adslot Premium

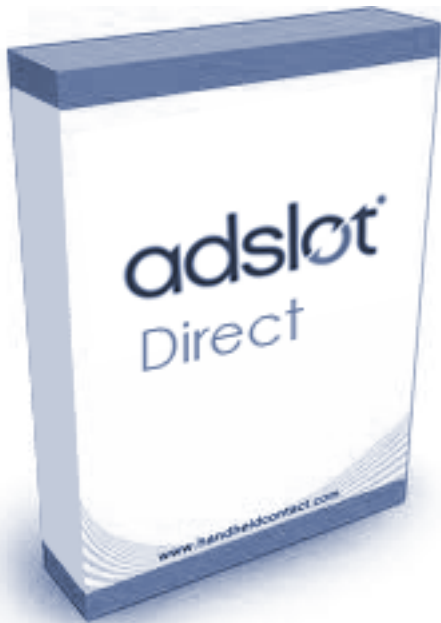


- Launch of **Carsales Dealer** and **Wotif** in this half will mean three world-leading publishers on a **standardised** Adslot platform
- All new features that increase revenue (and share of revenue for Adslot) can be **deployed** to all customers at **no marginal cost**
- We are starting to see evidence of **reduced sales lead times**, and expect to see a significant reduction in **deployment timelines** moving forward
- A significant **step forward** in the evolution of Adslot Premium

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Adslot Direct



- Taking a **simplified** version of Adslot to medium-sized publishers with niche content
- A SaaS / cloud-based product that enables Adslot to access a much **larger universe** of **potential customers**
- **Higher share of revenue** for Adslot
- Allows **self-serve signup** and **no platform integration** is required
- Customer setup in **minutes**, not months

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Adslot Direct

Target Market

- **Medium-sized**, niche content publishers
- No direct sales team
- Currently rely on ad networks (ie. Google AdSense) to monetise their inventory

Purpose

- To connect **publishers** directly with their **advertisers**
- To **automate** and **simplify** the buying process
- To **increase** revenue for publishers



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What's an example niche Publisher?

Gizmag.com

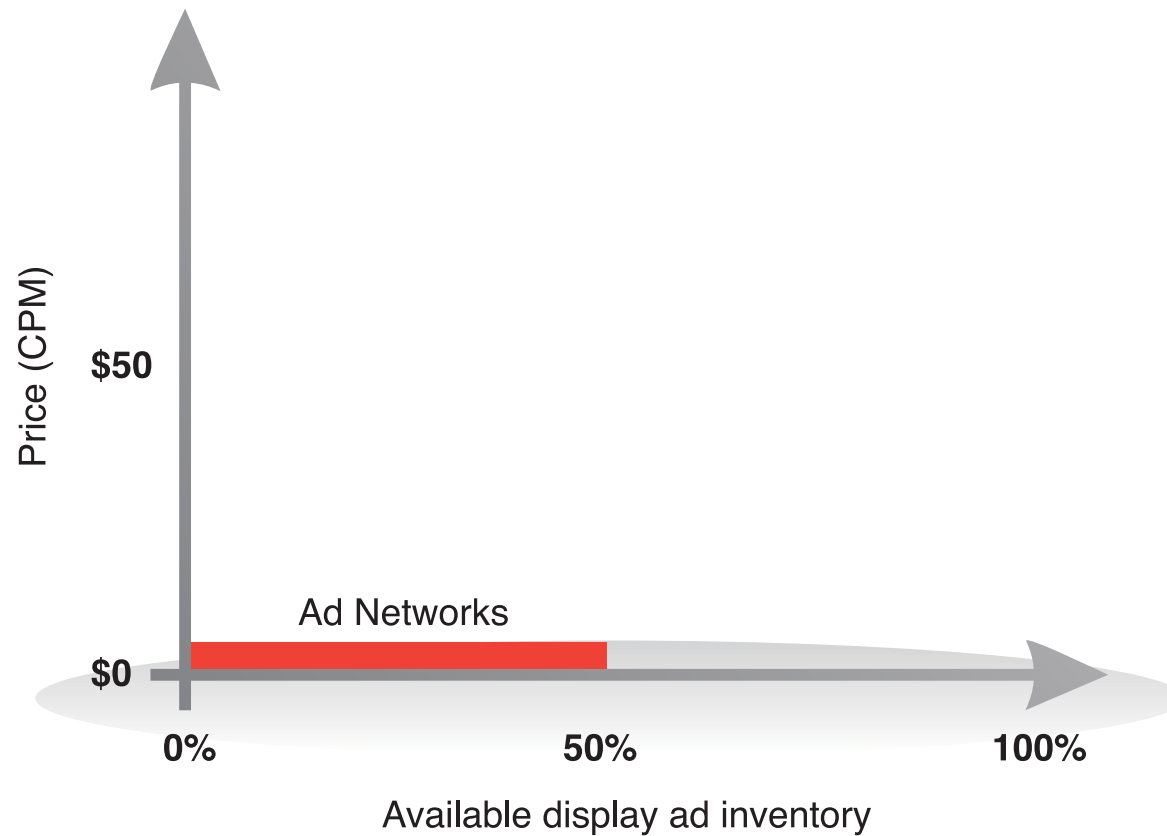


- **2,648,366 Unique Visitors per month**
- **11,787,525 Page Views per month**
- Great niche content
- Specific categories on website
- **Currently dependent on an Ad Network (Google AdSense) to generate revenue**

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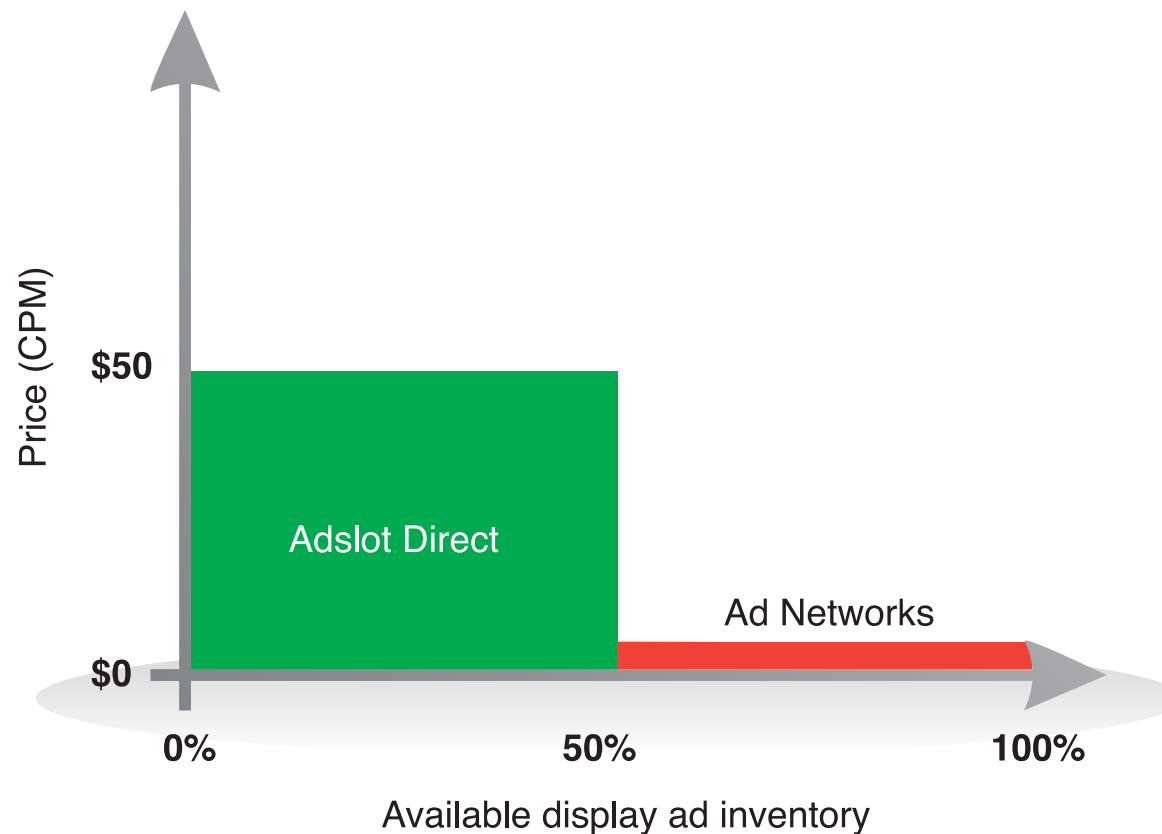
Niche Content Publisher problem



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Adslot Direct helps them sell directly to their trade advertisers, accessing new revenue



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Adslot Direct



- Development has started using a **dedicated development team**
- Currently aiming for **Beta** in **Q4** and public launch in **Q1 FY13**
- We are **engaging with Beta customers** early to help guide product features and functionality
- Very encouraging progress to date

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Adslot Create



- Stand-alone, **enterprise** version of ad builder technology for Publishers
- Aim to become the world-wide default application for **online banner creation**
- Enterprise version for Publishers:
 - Makes their sales people **media specialists**
 - Reduces **lead time** from sales to execution
 - Allows Publisher to **control quality** of advertising on their sites
- Pay per **download** revenue model

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Adslot Create

Target Market

- Publishers, to integrate with their website or use as internal sales tool

Purpose

- Empower **sales teams** to design and manage creative for their advertisers
- Make their **sales teams** more efficient and effective in selling display advertising
- Control quality of advertising on their websites



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Adslot Create

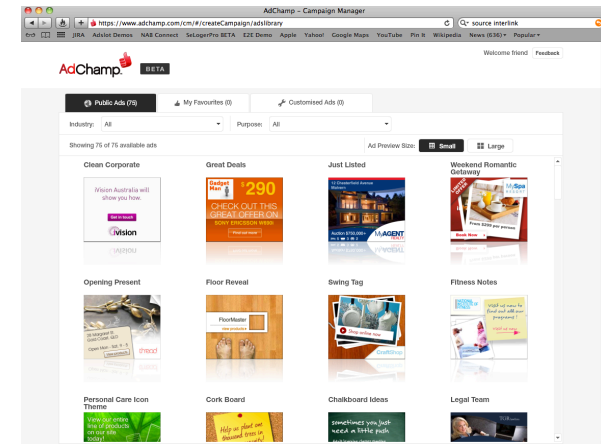
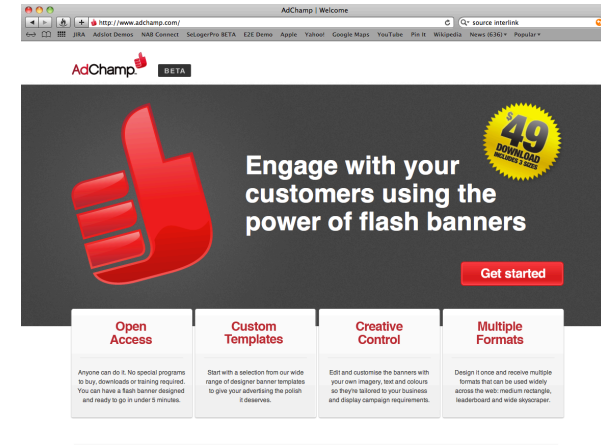


- Dedicated project team, focused on delivering a BETA in **Q4 FY12**
- Creating a framework for new ad formats (video and HTML 5), **future-proofing** the product
- Creating a **new revenue** line independent of the Adslot inventory sales platforms
- Development is currently in progress and on schedule



- Allows any advertiser to **quickly** and **cheaply** build a professional display ad*
- Currently in Beta at www.adchamp.com
- Full go-live launch this quarter
- Marketing campaign commencing shortly
- We do not anticipate significant revenues initially, but will build in time

* Also commonly known as a “banner” ad



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Adslot Financials

- In FY 2012 our goals are to **add new advertising inventory** from our **existing clients** as well as **adding new clients**
- We have signed up additional **Carsales** inventory and signed **Wotif**, a new client, so far this year, and these solutions will be implemented in the coming months
- As the revenues from Adslot products build slowly, we will still see **continued losses** through the remainder of **FY2012**.
- **New products** and market opportunities will supplement existing revenue channels, but these will not be material before **FY 2013** and beyond

Group Financial Position

- We have **sufficient cash** to see us through to profitability, and **we do not intend on raising any more money** to execute on our current strategy
- At **December 2011** we had **\$15.9M** in cash. We consumed **\$2.5M** in the first six months of FY 2012.
- As anticipated, our costs are growing and will continue to grow leading up to the launch of the **Adslot Direct** product.
- We expect to consume a further **\$3M to \$4M** in the next six months.

Summary

- Webfirm division has been **profitable** (including corporate overhead) for **five** consecutive months since September 2011, and this asset is being retained by the group
- Adslot's strategic evolution from **bespoke solutions** to **standardised products** is starting to work, and migration will be complete by June 2012
- Since September, Adslot has launched **SeLogger**, and signed **Carsales** and **Wotif** to its end-to-end, self-serve platform (now called **Adslot Premium**)
- **Exciting products** in the pipeline scheduled for release in **Q1 FY13**, enabling Adslot to access a much broader market of publisher customers and access new revenue streams

WFM represents a unique investment opportunity on the ASX

- Exposure to an early-stage technology like **Adslot** is normally the exclusive domain of **Venture Capitalists** and **Angel Investors**
- Through **WFM**, investors get exposure to a company with unique products participating in one of the fastest growing industries on earth (online advertising)
- Investment is **highly speculative**, but has in its favour:
 - Highly experienced team with proven track record
 - Unique technology and IP
 - Blue-chip cornerstone client-base
 - Massive world-wide market opportunity
 - Growing product suite and revenue opportunity

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