

ASX / NEWS RELEASE

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Webfirm Media launches the AdAuctionEngine

- ***Secures exclusive ANZ rights to AdSlot auction system***
- ***Unique combinatorial bidding capabilities***
- ***Private label platform proven to boost yields***

Webfirm Group Limited (ASX:WFM) today announced a new online auction platform and delivery system that will significantly increase the yield of **premium** digital media inventory.

Unique to the Australia/New Zealand market, Webfirm's Media division will launch this facility in August.

Called the 'AdAuctionEngine', the platform will be available as an in-house sales support tool as well as a publisher-branded and controlled self-serve framework.

The AdAuctionEngine is geared to online video and display advertising but also supports full cross-media capabilities (such as: single buys; multiple media types, e.g. TV + online + display).

The AdAuctionEngine allows inventory to be bought and sold in ways not previously possible.

In a crucial point-of-difference to any other framework currently available, the AdFeedEngine captures the complexity of bidding using multiple variables and provides real-time 'bid to win' pricing information for buyers.

Examples include:

- For display advertising, the AdAuctionEngine can combine cost per thousand impressions (CPMs), cost per click (CPC) variables and also factor in desired yields
- With video inventory, where simple CPM/CPC bidding is insufficient, the AdAuctionEngine allows buyers – for the first time ever – to bid on a combination of several factors including duration, position, frequency and sequence of video ads

The AdAuctionEngine is powered by the AdSlot auction system – a scaled and mature platform more than eight years in development. To date more than \$1.4 billion worth of non-media commodities has been transacted on the system resulting in an average lift in yield of 17 per cent.

Webfirm has secured the exclusive rights to AdSlot technology in Australia and New Zealand and non-exclusive rights for the rest of the world.

David Burden, Webfirm Group CEO, said the deal was a critical milestone in Webfirm Media's continued development.

"This is a game-changer for Webfirm Media," Mr Burden said.

"With AdSlot technology we can speed deployment of the AdAuctionEngine and allow media publishers to achieve market-based pricing through an automated, self-service portal that accommodates their entire inventory range.

"AdSlot's auction platform has been proven to lift yields by 17 per cent, and we expect this to translate to the advertising industry while also cutting publishers' back-end production and administrative costs."

Mr Burden added that Webfirm Media planned initially to introduce the AdAuctionEngine as a private platform for specific publishers. However, the company also has the capability to network platforms together and allow small and medium enterprises (SMEs) and consumers to access self service media buys that would previously not have been available to them.

AdSlot and Webfirm believe this is the first time that the proven benefits of combinatorial auctions have been offered to media businesses.

AdSlot CEO Anthony Du Preez said: "Our basic value proposition is that lifting yields from existing assets by 17 per cent is a great way to improve margin.

"AdSlot's unique combinatorial attributes include the innovative Book & Bid® process which marries the benefit of up-front guaranteed bookings at rate card with AdSlot's sophisticated auction engine. The result is inventory clearing power with market-based pricing of premium advertising space."

Webfirm Media also continues to pursue opportunities to help advertisers promote their brands on navigation maps through Webfirm Media's exclusive licence deal with Navteq. Mr Burden said the company would announce further details in the coming weeks.

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IMPORTANT NOTE FOR SHAREHOLDERS / INVESTORS

Andrew Barlow is a non-executive director (chairman) and a substantial shareholder of both Webfirm and AdSlot. Similarly, Dr Adrian Vanzyl is also a non-executive director and a shareholder of Webfirm and a consultant to AdSlot. In accordance with the appropriate standards of corporate governance, neither Andrew Barlow nor Dr Vanzyl took part on behalf of Webfirm or AdSlot in any material discussions relating to the grant to Webfirm of the rights to the AdSlot technology in Australia, New Zealand and elsewhere in the world or the decision by Webfirm to enter into the relevant agreement with AdSlot.

The other directors of Webfirm are Adrian Giles and David Burden. Adrian Giles is a small shareholder (less than 1 per cent) of AdSlot. He does not hold office in or have any employment or other consulting arrangement with AdSlot. David Burden is neither a shareholder nor officer of AdSlot. As the shareholding of Adrian Giles in AdSlot is immaterial in the context of his personal financial circumstances, the decision by Webfirm to enter into the agreement with AdSlot was made by Adrian

Giles and David Burden. The decision was made only after they had satisfied themselves that the agreement with AdSlot was in the interests of Webfirm and on arm's length commercial terms that were fair and reasonable to Webfirm.

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About the Webfirm Group

Webfirm Group Limited (ASX: WFM) is a full service digital media company with three divisions. **Searchworld** powers publishers' profits with premium quality search monetisation solutions, delivering effective global and local organic and paid search to search engines, portals, directory publishers, parked domains, downloadable applications and ad networks. **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. **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. With more than 60 staff across Melbourne, Sydney, Perth and in the United States of America, Webfirm continues to develop products and services aimed at helping customers do better business on the Internet. More information at www.webfirm.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. Dr Adrian Vanzyl – a consultant to AdSlot – was chief technology officer at LookSmart, international business manager at Microsoft, and chief technology officer at venture capital firm Blumberg Capital.

For more information visit: <http://www.adslot.com/>