ANSEARCH LIMITED

ABN: 70 001 287 510

Appendix 4E

Preliminary Financial Results

Year Ending 30 June 2008

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1 ***Details of the reporting period and the previous corresponding period.***

Reporting Period	Financial Year ending	**30 June 2008**
Previous Corresponding Period	Financial Year ending	**30 June 2007**

2 ***Results for announcement to the market***

2.1 ***The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.***

Revenue from ordinary activities	$	**12,266,960**
Previous corresponding period	$	**8,406,407**
Percentage change up or down from the previous corresponding period of revenue from ordinary activities	%	**45.92%**

2.2 ***The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.***

Loss from ordinary activities after tax	$	**(4,288,198)**
Previous corresponding period	$	**(1,333,349)**
Percentage change up or down from the previous corresponding period of loss from ordinary activities after tax attributable to members.	%	**(221.61%)**

2.3 ***The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.***

Profit (loss) attributable to members	$'000	**(4,288,198)**
Previous corresponding period	$'000	**(1,333,349)**
Percentage change up or down from the previous corresponding period of net loss for the period attributable to members.	%	**(221.61%)**

2.4 ***The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.***

No dividends proposed relating to the reporting period

2.5 ***The record date for determining entitlements to the dividends (if any).***

Not applicable

2.6 **A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.**

Significant features of Operating Performance

Ansearch Limited (ASX: ANH) is a full service digital media company with a focus on breaking down the barriers between traditional and digital media to generate more leads, more customers and more sales. The Company provides a of products and services through its own search and directory websites (ansearch.com.au/.com/.nz/.uk, anzwers.com.au) and its Ansearch Media and Searchworld businesses. Via the wholly owned subsidiary Webfirm, Ansearch also offers the full spectrum of web design and development services, including search engine marketing, optimization, hosting, e-commerce, content management tools, and domain name management.

Revenue has increased to $12.3 million, up from $8.4 million in the previous year. This is a pleasing result given recent economic uncertainty.

The loss of $4.3 million for the full-year reporting period resulted from:

The reclassification of previously booked revenue to unearned revenue;
Share based expenses of $300,000;
Restructuring costs;
Costs associated with departing CEO and Chairman;
The disruption caused by the receipt of the s249D notice in August 2007;
The severing of an unsustainable revenue stream in the Search division; and
A full review and clean out of the accounts during the year.

Of the current year loss, $3.0 million relates to the period prior to the appointment of the new CEO in February 2008. Since that appointment losses have been decreasing as a result of restructuring, the removal of non-essential positions across the group, and cost reduction programs. The Company posted a $211,000 net profit in June as a result of some one-off writebacks, and a return to sustainable operating profitability is anticipated during the current financial year. The Company also holds $1.0 million in sales made during the year awaiting booking in accordance with product delivery cycles.

During the period under review, the Company announced a range of new arrangements, and was affected by a number of matters as detailed below:

■ Ansearch group Search division showed strong but unsustainable revenue growth in the early part of the year;
■ Ansearch announced the successful completion of a non-renouceable entitlements issue with the funds raised being used for growth of core business and acquisition opportunitiies;
■ Ansearch received a notice to convene a General Meeting from a substantial shareholder, however the motions that the shareholder requested be put to the meeting were withdrawn at the commencement of the meeting;
■ Ansearch announced the appointment of a new board of directors, including Mr Andrew Barlow as Chairman following the retirement of Mr Peter Jermyn from the Board, Mr Adrian Giles and Mr Adrian Vanzyl, all of whom bring significant industry expertise to the Company;
■ In February 2008 the board of directors appointed Mr David Burden to the position of Managing Director and Chief Executive Officer of the Company, following the departure of Mr Robert Edge in November of the previous year;
■ Ansearch was ranked number 1 in the internet industry category and number 2 overall in the Deloitte Technology Fast 50 Awards, and followed this up with 8th place in Deloitte's;Technology Fast 500 Asia Pacific Awards
■ Ansearch Media division entered into an exlcusive arrangement with Navteq allowing Ansearch to represent the Navteq Direct Access solution for location based advertising in Australia and New
■ Ansearch director Mr. Dean Jones was caught up in the Opes Prime crisis;
■ Ansearch group company Webfirm Pty Ltd expanded into Melbourne, with additional stores planned to roll out in the current year;
■ Ansearch announced a restructure of the Company's key operating divisions;
■ The Ansearch Media division entered into agreement to represent advertsing sales for significant international online website publishers;
■ Ansearch group company Webfirm Pty Ltd commenced sales of it's new search engine marketing products in May 2008;
■ The Ansearch Media division acquired exclusive Australian advertising representational rights to the advanced video search engine blinkx;

The immediate goal of management is to focus the business on profitable revenue growth, and to move the business as quickly as possible to a positive cash flow position.

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3 ***A consolidated income statement together with notes to the statement, prepared in compliance with AASB 101.***

Income Statement
For the year ended 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $
Revenue from continuing ordinary activities	2	**12,266,960**	8,406,407
Cost of sales		**(5,232,046)**	(4,229,194)
Depreciation and amortisation expenses		**(180,520)**	(31,133)
Finance costs		**(6,862)**	(131)
Salaries and employment related costs (including contractors)		**(7,845,629)**	(2,973,486)
Telephone and internet		**(198,029)**	(76,800)
Share based payment expense		**(295,167)**	(520,074)
Marketing costs		**(196,699)**	(498,411)
Lease - rental premises		**(452,152)**	(181,799)
Provision for impairment of intangibles		**(10,000)**	(30,870)
Provision for impairment of receivables		**(220,016)**	(87,943)
ASX fees		**(153,326)**	(142,773)
Legal fees		**(240,066)**	(63,383)
Travel expenses		**(465,320)**	(221,808)
Domain names and licences		**(32,144)**	(42,272)
Audit and accountancy fees		**(271,703)**	(125,489)
Other expenses from ordinary activities		**(755,479)**	(514,190)
Loss before Income Tax Expense	3	**(4,288,198)**	(1,333,349)
Income tax expense	4	**-**	-
Loss from continuing operations		**(4,288,198)**	**(1,333,349)**
Profit from discontinued operations		**-**	**-**
Loss for the year		**(4,288,198)**	**(1,333,349)**
Loss attributable to minority interest		**-**	-
Loss attributable to members of Ansearch		**(4,288,198)**	**(1,333,349)**

The above consolidated income statement should be read in conjunction with the accompanying notes

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4 ***A consolidated balance sheet together with notes to the statement. The balance sheet may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.***

Balance Sheet
As at 30 June 2008

	Notes	Consolidated 2008 $	2007 $
Current Assets			
Cash and Cash Equivalents Assets	5	**1,443,689**	3,109,520
Trade Receivables	6	**1,548,469**	3,369,008
Other	7	**221,254**	130,303
Total Current Assets		**3,213,412**	6,608,831
Non Current Assets			
Property Plant & Equipment	8	**647,310**	347,043
Intangible Assets	9	**5,582,469**	4,982,823
Total Non Current Assets		**6,229,779**	5,329,866
TOTAL ASSETS		**9,443,191**	11,938,697
Current Liabilities			
Payables	10	**2,215,590**	3,261,177
Other	11	**1,028,741**	2,460,000
Total Current Liabilities		**3,244,331**	5,721,177
TOTAL LIABILITIES		**3,244,331**	5,721,177
NET ASSETS		**6,198,860**	6,217,520
Equity			
Contributed Equity	12	**35,714,937**	31,670,567
Other reserves	13	**3,630,720**	3,405,553
Accumulated Losses	14	**(33,146,797)**	(28,858,600)
TOTAL EQUITY		**6,198,860**	6,217,520

The above consolidated balance sheet should be read in conjunction with the accompanying notes

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5 a) ***A statement of changes in equity together with notes to the statement. The statement of changes in equity may be condensed but must comply with the disclosure requirements of AASB 101***

Statement of Changes in Equity
For the year ended 30 June 2008

	Notes	Consolidated **2008** **$**	Consolidated 2007 $
Total equity at the beginning of the financial year		**6,217,520**	1,057,198
Increase in Employee share based expense reserve		**225,168**	520,074
Net income and expenses recognised directly in equity		**225,168**	520,074
Loss for the financial year attributable to members of the company		**(4,288,198)**	(1,333,349)
Loss attributable to minority interest		**-**	-
Total recognised income and expenses for the year		**(4,288,198)**	(1,333,349)
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs		**4,044,370**	5,973,597
Change in minority interests from disposals		**-**	-
Total equity at the end of the financial year		**6,198,860**	6,217,520

The above statement of changes in equity should be read in conjunction with the accompanying notes

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5 ***A cash flow statement together with notes to the statement. The cash flow statement may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 Cash Flow Statements, or for foreign entities, the equivalent foreign accounting standard.***

Cash Flow Statement
For the year ended 30 June 2008

	Notes	Consolidated 2008 $	2007 $
Cash flows from operating activities			
Receipts from trade and other debtors (inclusive of GST)		**14,576,664**	5,975,725
Interest received		**109,513**	49,640
Payments to trade creditors, other creditors and employess (inclusive of GST)		**(18,216,937)**	(7,111,440)
Interest paid		**(6,862)**	(131)
Net cash outflow from operating activities	15	**(3,537,622)**	(1,086,206)
Cash flows from investing activities			
Payments for property plant and equipment		**(480,787)**	(231,218)
Payments for controlled entities, net of cash acquired		**(1,691,793)**	(1,574,173)
Proceeds from sale of subsidiaries net of cash sold		**-**	-
Net cash outflow from investing activities		**(2,172,580)**	(1,805,391)
Cash flows from financing activities			
Repayment of convertible note		**-**	(222,242)
Net proceeds from issue of shares		**4,044,370**	4,833,596
Net cash inflow from financing activities		**4,044,370**	4,611,354
Net increase (decrease) in cash held		**(1,665,831)**	1,719,757
Cash at the beginning of the financial year		**3,109,520**	1,389,763
Cash at the end of the financial year	5	**1,443,689**	3,109,520

The above statements of cash flows should be read in conjunction with the accompanying notes

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Notes to Sections 3, 4 & 5.

1. Summary of Accounting Policies

Statement of compliance

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E, the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards (IFRS).

The preliminary final report does not include notes of the type normally included in an annual report and should be read in conjunction with the 30 June 2007 Annual Financial Report.

Basis of Preparation

The preliminary final report is to be read in conjunction with the 2007 annual report, the December 2007 half-year report and any public announcements made by Ansearch Limited and its controlled entities during the year in accordance with the continuous disclosure obligation arising under the ASX Listing Rules.

The preliminary final report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the company's 2007 Annual Financial Report for the year ended 30 June 2007.

2. Revenue

	Notes	Consolidated	
		2008	2007
		$	$
Revenue			
Sales revenue		**12,150,476**	8,317,782
Interest revenue		**109,513**	49,640
Gain on settlement of convertible note		**-**	37,758
Sundry Income		**6,971**	1,227
		12,266,960	8,406,407

3. Expenses

	Consolidated	
	2008	2007
	$	**$**
Net losses and expenses		
Loss before income tax includes the following specific expenses:		
Amortisation - Leasehold improvements	**(55,385)**	(6,777)
Depreciation - Plant & equipment	**(125,135)**	(24,356)
Finance costs		
Interest and finance charges paid/payable	**(6,862)**	(131)
Other charges against assets		
Impairment of intangibles	**(10,000)**	(30,870)
Impairment of receivables	**(220,016)**	(87,943)

Notes to Sections 3, 4 & 5.

4. Income tax

	Consolidated	
	2008	2007
	$	**$**
Numerical reconciliation of income tax expense to prima facie tax payable		
Operating loss before income tax expense	**(4,288,198)**	**(1,333,349)**
Tax at the Australian tax rate of 30% (2007: 30%)	**(1,286,459)**	**(400,004)**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Other non-allowable items	**48,870**	20,259
Share options expenses during the year	**88,550**	156,022
Sundry items	**(956)**	(6,339)
	(1,149,995)	(230,062)
Deferred tax assets in relation to tax losses not recognised	**1,149,995**	230,062
Income tax expense	**-**	-

5. Current assets - Cash assets

	Consolidated	
	2008	2007
	$	**$**
Cash at bank and on hand	**1,443,689**	**3,109,520**

6. Current assets - Trade receivables

	Consolidated	
	2008	2007
	$	**$**
Trade debtors	**1,798,116**	3,128,178
Less: Bad debt reserve	**(249,647)**	(96,737)
	1,548,469	3,031,441
Other receivables	**2,163,343**	2,500,910
Impairment of other receivables	**(2,163,343)**	(2,163,343)
	1,548,469	3,369,008

Notes to Sections 3, 4 & 5.

7. Current assets - Other

	Consolidated 2008 $	2007 $
GST receivable	**-**	121,554
Income tax instalment payment	**96,470**	-
Bank interest receivable	**5,532**	-
Sundry	**47,493**	-
Prepayments	**71,759**	8,749
	221,254	130,303

8. Non-current assets - Property, plant and equipment

	Consolidated 2008 $	2007 $
Leasehold Improvements		
At cost	**336,848**	149,079
Less: Accumulated amortisation	**(55,149)**	(42,318)
	281,699	106,761
Plant and Equipment		
At cost	**271,894**	62,780
Less: Accumulated depreciation	**(67,113)**	(15,801)
	204,781	46,979
Office Equipment		
At cost	**231,170**	230,094
Less: Accumulated depreciation	**(70,340)**	(36,791)
	160,830	193,303
Total written down value of property, plant and equipment	**647,310**	347,043

9. Non-current assets - Intangible assets

	Consolidated 2008 $	2007 $
Goodwill		
At cost	**5,132,469**	4,532,823
Intellectual Property		
At cost	**3,897,328**	3,887,328
Less: Accumulated amortisation	**(3,697,328)**	(3,687,328)
	200,000	200,000
Domain name		
At cost	**250,000**	250,000
Less: Accumulated amortisation	**-**	-
	250,000	250,000
Total written down value of intangible assets	**5,582,469**	4,982,823

Notes to Sections 3, 4 & 5.

10. Current liabilities - Payables

	Consolidated	
	2008	2007
	$	$
Trade payables	**995,181**	1,688,010
Employee benefits	**123,833**	144,200
Other creditors	**778,285**	1,084,070
GST payable	**94,971**	-
PAYG, superannuation and employment creditors	**223,320**	154,897
Related entities	**-**	190,000
	2,215,590	3,261,177

11. Current liabilities - Other

	Consolidated	
	2008	2007
	$	$
Webfirm acquisition consideration balance	**-**	2,460,000
Webfirm and Searchworld unearned revenue	1,028,741	-
	1,028,741	2,460,000

12. Contributed equity

	Consolidated	
	2008	2007
	$	$
Balance at the beginning of the year	**31,670,567**	25,696,970
Issue of shares by the Group	**4,044,370**	5,973,597
Balance at the end of the financial year	**35,714,937**	31,670,567

13. Other reserves

	Consolidated	
	2008	2007
	$	$
Share based payment option reserve		
Balance at the beginning of the year	**3,405,553**	2,885,479
Share based payment option expense	**225,167**	520,074
Balance at the end of the financial year	**3,630,720**	3,405,553

Notes to Sections 3, 4 & 5.

14. Accumulated losses

	Consolidated	
	2008	2007
	$	$
Accumulated losses at the beginning of the financial year	**(28,858,599)**	(27,525,250)
Net loss attributable to members of the Group	**(4,288,198)**	(1,333,349)
Accumulated losses at the end of the financial year	**(33,146,797)**	(28,858,599)

15. Reconciliation of operating loss after income tax to net cash inflow from operating activities

	Consolidated	
	2008	2007
	$	$
Operating loss after income tax	**(4,288,198)**	(1,333,349)
Depreciation and amortisation	**180,520**	31,133
Impairment of assets	**10,000**	30,870
Gain on settlement of convertible note	**-**	(37,758)
Share based payments	**225,167**	520,074
Provision for impairment of receivables	**220,016**	87,943
Change in operating assets and liabilities		
Trade and other debtors	**(1,868,503)**	(2,246,187)
Other assets	**(90,951)**	(119,218)
Trade, other creditors, employee benefits and other provisions	**2,074,327**	1,980,286
Net cash outflow from operating activities	**(3,537,622)**	(1,086,206)

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Notes to Sections 3, 4 & 5.

16. Segment reporting

Primary Reporting - Business Segments

	Media Search	**Media Display**	**Website Services**	**Inter segment Eliminations**	**Consolidated**
Segment Revenue					
Year ended 30 June 2008	6,478,513	1,944,977	3,590,164	253,306	12,266,960
Year ended 30 June 2007	4,620,211	1,696,800	1,898,585	190,811	8,406,407
Segment Result					
Year ended 30 June 2008	673,384	(831,139)	(491,357)	(3,639,086)	(4,288,198)
Year ended 30 June 2007	1,221,731	(608,560)	917,331	(2,863,851)	(1,333,349)

17. Discontinued Operations

Nil.

18. Business Combinations

Webfirm Pty Ltd and Searchworld Pty Ltd

On 31 May 2007 Ansearch Group acquired all of the assets and liabilities of Webfirm Pty Ltd and 100% ownership in Webfirm's subsidiary Searchworld Pty Limited, a premier website design and online media company operating in Perth.

The purchase consideration was made up of cash and equity and payable in three tranches as follows:

	$
Tranch 1 paid 31 May 2007	
Cash	1,500,000
Equity - 15,000,000 fully paid ordinary share @ 7.6 cents per share	1,140,000
Tranch 2 paid 4 July 2007	
Cash	1,000,000
Equity - Number of shares (3,722,854) to equal a fair value of $360,000	360,000
Tranch 3 paid 31 October 2007	
Cash	1,000,000
Monthly cash earn out payments based on July to Oct EBIT performance	113,462
Transaction costs	435,028
Total consideration	5,548,490

Notes to Sections 3, 4 & 5.

18. Business Combinations (cont.)

Webfirm Pty Ltd and Searchworld Pty Ltd (cont.)

Details of net assets acquired and goodwill are as follows:

	Acquiree's carrying amount $	Fair value $	31 May 2007 $
Purchase consideration			5,548,490
Fair value of net identifiable assets acquired:			
Cash and cash equivalents	142,364	142,364	
Trade debtors less unearned revenue	61,716	61,716	
Property plant and equipment	89,412	89,412	
Intellectual property	-	200,000	
Payables	(77,471)	(77,471)	
Net identifiable assets acquired	216,021	416,021	416,021
Goodwill			5,132,469

Intellectual property consisted of domain names and customer contracts.

19. Post Balance Date Events

On 29 July 2008 the Company announced a capital raising program consisting of the issue of fully paid ordinary shares in the Company at an issue price of $0.012 in three tranches, as follows:

i) the issue of 72,000,000 fully paid ordinary shares to sophisticated investors and specialist institutions;
ii) the issue of approximately 34,333,334 fully paid ordinary shares to directors and senior management subject to shareholder approval; and
iii) an offer to all shareholders under a share purchase plan to be conducted in September 2008.

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6 ***Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.***

No payments made

7 ***Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.***

No plans approved

8 ***A statement of retained earnings showing movements.***

See Statement of Changes in Equity

9 ***Net tangible assets per security with the comparative figure for the previous corresponding period.***

Reporting Period	Cents	**1.11**
Previous Corresponding Period	Cents	**1.18**

10 ***Details of entities over which control has been gained or lost during the period.***

10.1 ***Name of the entity.***

Not applicable

10.2 ***The date of the gain or loss of control.***

Not applicable

10.3 ***Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.***

Not applicable

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11 Details of associates and joint venture entities including the following.

11.1 Name of the associate or joint venture entity.

Not applicable

11.2 Details of the reporting entity's percentage holding in each of these entities.

Not applicable

11.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Reporting Period	$'000	**N/A**
Previous Corresponding Period	$'000	**N/A**

12 Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Refer to explanatory notes above

13 For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

Not applicable

14 ***A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.***

14.1 ***The earnings per security and the nature of any dilution aspects.***

	Consolidated **2008** **Cents**	2007 Cents
Basic earnings per share	**(0.78)**	(0.30)
Diluted earnings per share	**(0.56)**	(0.22)
Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	**550,306,527**	448,463,638
Diluted Earnings per share		
Weighted average number of shares used as the denominator in calculating diluted earnings per share	**766,946,041**	601,532,388

14.2 ***Returns to shareholders including distributions and buy backs.***

None made

14.3 ***Significant features of operating performance.***

Refer to section 2.6

14.4 ***The results of segments that are significant to an understanding of the business as a whole.***

Refer to note 16

14.5 ***A discussion of trends in performance.***

Refer to section 2.6

14.6 ***Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.***

Refer to section 2.6

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15 ***A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed***

The preliminary final report is based on accounts which are in the process of being audited by BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd.

16 ***If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.***

At the date of this report, there is neither any dispute with the auditor nor any likelihood that the accounts will be subject to qualification.

17 ***If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.***

No dispute or qualification known at the date of lodgement of this report.

(Director)

Andrew Barlow

Print Name

28th August 2008

Date