ANSEARCH better business online

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19 January 2009

Manager of Company Announcements
Australian Stock Exchange Limited
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Sydney NSW 2000
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2nd QUARTER HIGHLIGHTS AND APPENDIX 4C

Highlights

- **Quarterly revenue up 30% on prior corresponding period, and 68% over previous quarter**
- **Significant future revenue growth forecast**
- **Group reaches profitability and is cash flow positive in December**
- **Cash position improves over previous quarter**
- **Director's re-affirm positive outlook**

The directors of Ansearch Limited (ASX: ANH) are pleased to outline some recent activities conducted by the group during the December quarter.

Financial Performance

Ansearch achieved its **second highest revenue month on record** in December; this is especially satisfying given that this was achieved during a period of economic slowing and financial instability. Group **revenue was up 30%** on the previous corresponding quarter, and **up 68%** on the previous quarter to $3.42 million, with both the Webfirm and Searchworld divisions posting strong gains.

Despite seasonal factors affecting some divisions, Group revenue is expected to **grow significantly** in quarters three and four.

The month of December has seen a **return to profitability** for the Company. This profitable result was derived from the combined effect of revenue generation efforts and cost reduction strategies.

Cash Position

The directors believe the Company has **sufficient cash** for working capital to see the Company through to sustainable profitability. At end December cash at bank was $1.6 million, up from $1.4 million at the end of the previous quarter.

New Awards

Ansearch's accomplishments continue to receive public recognition. In October Ansearch was awarded 7th place in the 2008 BRW Fast 100, a particularly satisfying result given that it was the company's first year of entry. In November the company announced that it had secured 5th place in the 2008 Deloitte Technology Fast 50, the only company to make the top five in the past two consecutive years. This award was followed up in December with a top 100 ranking in the Deloitte Asia Pacific Fast 500.

I would like to take the opportunity to thank the extremely determined and hard working management team, our dedicated staff and our loyal customer base on these impressive achievements.

Searchworld Efforts Convert to New Revenues

The Company has previously announced that it has recommenced its business development activity in North America and that 40 new search advertising distribution partners had been signed in the first few weeks of operation. In the December quarter, these efforts translated into a 165% increase in revenue for Searchworld over the previous quarter. The second quarter revenue of $1.74 million is expected to grow substantially in the third and fourth quarters as Searchworld continues to build upon its existing relationships with Google, Yahoo and Infospace and its growing customer base.

Webfirm Revenues Strengthen

The Webfirm division has rebounded in the second quarter, with revenues climbing 22% to $1.27 million. Additional cost saving have been identified in this division resulting from operating efficiencies. These operating efficiencies have also seen a reduction in the delivery time for new websites.

Ansearch Media

Ansearch Media remains the business division most affected by the economic slowdown. Over the last quarter management have been carefully monitoring the performance of the Media division, and have taken steps to further reduce costs in this division to ensure that it remains at or close to a breakeven position or better. The big win for the Media division recently was securing advertising representation rights to The Biggest Loser Club website publisher (www.biggestloserclub.com.au), a key Australian site that enjoys enduring popularity.

Completed Capital Raising

The Company completed its small capital raising program during the quarter aimed at raising funds to expand the three operating divisions. The program was successful in allowing the Company to move forward with a range of initiatives including the Searchworld US expansion that is showing such great returns.

Reorganisation of Capital

Following approval by shareholders at the AGM to be held in November, the Company undertook a reorganisation of capital in December, whereby the securities of the Company were consolidated in the ratio of five to one, reducing the number of shares on issue from 678,790,202 shares to approximately 135,386,692 shares. The Company now has 138,158,136 fully paid ordinary shares on issue including escrowed employee shares.

Change of Company Name

Also approved at the recent AGM was a change of name for the business, to Webfirm Group Limited. As part of the rebranding process, Ansearch Media will become Webfirm Media and the Searchworld name will remain unchanged. While search advertising remains a key plank in our strategy, this new brand signals the extension of the Company's direction into all aspects of helping organisations accomplish business online, and it better reflects our wider target audience. Directors and management envisage that this change will take effect during the month of February 2009. The Company will continue to keep the market advised as these changes come into effect.

Since the appointment of the new board and CEO in 2008, a significant effort has gone into turning the business around and structuring it for growth. Due to the diligence and hard work of the team, the results are now being realised, and the company is now well positioned to escalate its growth plans.

Please find following the Company's Appendix 4C.

Andrew Barlow
Chairman

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Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

ANSEARCH LIMITED

ABN	Quarter ended ("current quarter")
70 001 287 510	**31 December 2008**

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (06 months) $A'000
1.1	Receipts from customers		2,453	4,415
1.2	Payments for	(a) staff costs	(1,337)	(2,850)
		(b) advertising and marketing	(14)	(49)
		(c) research and development	-	-
		(d) leased assets	(10)	(18)
		(e) other working capital	(1,099)	(2,728)
1.3	Dividends received		-	
1.4	Interest and other items of a similar nature received		39	55
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other – Net BAS payments/Grants Received - Note 4		63	(72)
	Net operating cash flows		95	(1,247)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (06 months) $A'000
1.8	Net operating cash flows (carried forward)	95	(1,247)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(12)	(18)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(12)	(18)
1.14	Total operating and investing cash flows	83	(1,265)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	144	1,420
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other – Payments relating to issues of shares)	-	-
	Net financing cash flows	144	1,420
	Net increase (decrease) in cash held	227	155
1.21	Cash at beginning of quarter/year to date	1,387	1,459
1.22	Exchange rate adjustments – Refer Note 5	(3)	(3)
1.23	Cash at end of quarter	1,611	1,611

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	-
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors Fees	-
Management Fees	-
Consulting Fees	-

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	1,388	1,168
4.2 Deposits at call	223	219
4.3 Bank overdraft	-	-
4.4 Other – Held in solicitor's trust account	-	-
Total: cash at end of quarter (item 1.23)	1,611	1,387

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ...... Date: 19 January 2009
Company Secretary

+ See chapter 19 for defined terms.

Print name: Damian Element

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

4. **Research & Development Grant Proceeds**. During the current quarter $225,878.40 was received for an R&D Grant claimed for financial year 2005/2006, along with $27,235.47 interests.

5. **Exchange Rate Adjustment.** Represents accounting adjustment related to conversion of US dollar bank account balance (established during current quarter) to local currency on 31st December 2008.