

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

WEBFIRM GROUP LIMITED

ABN

70 001 287 510

Quarter ended ("current quarter")

30 JUNE 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	892	4,493
1.2 Payments for:		
(a) staff costs	(1,227)	(4,862)
(b) advertising and marketing	(4)	(39)
(c) research and development	-	-
(d) leased assets	(3)	(16)
(e) website publisher payments	(87)	(656)
(f) other cost of sales	(158)	(600)
(g) other working capital/overheads	(663)	(3,238)
1.3 Dividends received	-	
1.4 Interest and other items of a similar nature received	201	523
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(3)	(13)
1.7 Other – Government grants	-	249
Net operating cash flows	(1,052)	(4,159)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,052)	(4,159)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses	-	(802)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(89)	(130)
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	61
(e) other non-current assets	-	-
1.11 Loans to other entities Note 7	-	(100)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material) Note 5	-	109
Net investing cash flows	(89)	(862)
1.14 Total operating and investing cash flows	(1,141)	(5,021)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	24	20,123
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 – Costs relating to issues of shares	-	(501)
Net financing cash flows	24	19,622
Net increase (decrease) in cash held	(1,117)	14,601
1.21 Cash at beginning of quarter/year to date	19,480	3,803
1.22 Exchange rate adjustments – Note 4	(10)	(51)
1.23 Cash at end of quarter	18,353	18,353

+ See chapter 19 for defined terms.

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	21
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	

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	1,545	1,324
4.2 Deposits at call	16,808	18,156
4.3 Bank overdraft	-	-
4.4 Other – Held in solicitor's trust account	-	-
Total: cash at end of quarter (item 1.23)	18,353	19,480

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	QDC IP Technologies Pty Ltd	N/A
5.2 Place of incorporation or registration	Victoria, Australia	-
5.3 Consideration for acquisition or disposal	\$801.8k in cash & \$2.2m in equity	-
5.4 Total net assets	\$247,124	-
5.5 Nature of business	Online banner advertising module technology Note 6	-

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: 27 July 2011
Company Secretary

Print name: Brendan Maher

+ See chapter 19 for defined terms.

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. **Exchange Rate Adjustment.** Represents accounting adjustment related to conversion of US dollar bank account balance to local currency.
5. **Other - Investing Activities (refer 1.13 above).** This amount relates to bank balances of acquired entities. The previous quarter had these amounts shown in Net operating cash flows.
6. **Acquisition of Business Entities (refer 5.1 above).** The acquisition of QDC IP Technologies Pty Ltd was completed on 7 December 2010. QDC IP Technologies Pty Ltd ('QDC') owns the intellectual property for a key component of the Adslot Direct Platform, the next stage in the development of the Adslot business. Amongst other applications, it will enable advertisers to build a banner advertisement, increasing demand, and subsequently yield, on the Adslot platform. The consideration paid to QDC shareholders was \$801,818.18 and 29,309,091 ordinary shares in Webfirm Group Limited. Please refer to earlier ASX announcements for additional information about QDC.
7. **Loans to Other Entities (refer 1.11 above).** This amount relates to a \$100,000 convertible note issued by Brandscreen Pty Ltd (a non related entity).

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