



**ADEFFECTIVE LIMITED
(formerly The Swish Group Limited)
ABN 93 085 545 973
AND CONTROLLED ENTITIES**

**RESULTS, APPENDIX 4D & FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

TABLE OF CONTENTS

Section 1

Results for the Half-Year ended 31 December 2010	3
--	---

Section 2

Appendix 4D	5
-------------	---

Section 3

Financial Report for the Half Year ended 31 December 2010	7
---	---

Directors' Statement

Results for the Half-Year Ended 31 December 2010

During the period, the Company's main focus was on completing the reconstruction of the business around online advertising (which was completed with the name change to AdEffective in December 2010) and the development and subsequent launch of new online advertising platforms created to provide advertisers and publishers alike better yield.

The Company's sales revenue from online advertising continued to grow during the period, increasing 8.5% quarter on quarter from September 2010 to December 2010.

During the 6 months to December 2010, apart from the settlement of outstanding debts, the Company also saw a significant decrease in operating costs and remains confident that it will break through to profitability on a month-by-month basis shortly.

Forward Strategy

The online advertising environment is one marked by growth. Revenues are rising. Global online advertising will increase 10 times to \$103 billion by 2015, rising 11.7% to \$68 billion in 2011. In 2010, Australian online advertising revenues reached \$2.2 billion.

Along with online advertising's overall growth, global online advertising rose to 11.2% of total advertising revenues in 2010. Inventory is rising. US Display Ad impressions exceeded 1 trillion in Q3 2010 up by 22% from the same period in 2009. At the same time, yield is falling on online advertising even as inventory and revenues increase.

Time spent online and total page views to popular internet destinations have grown exponentially, influenced by factors including increased popularity of social media and mobile computing; and while online advertising has also grown during this time, revenue on a 'per impression or per page' basis has been in steady decline.

Being able to deliver more revenue from a publishers existing audience or better results for an advertisers ad spend is a growing challenge for incumbent, traditional players in the online advertising space. Increased yield equals better performance and better performance means more revenue.

AdEffective is an online advertising business focusing on the distribution of search advertising to publishers and publisher networks and more recently, on the design and development of innovative new platforms and technologies in the online advertising space to help improve advertiser ROI and generate more revenue for its publisher partners.

The delivery of online advertising is a rapidly maturing industry with innovation largely happening at the technology layer. That innovation falls into two broad areas:

1. to produce different modes of sponsored or advertising messages for users, or in AdEffective's case; and
2. to layer innovative delivery technology onto existing modes of advertising giving increased yield for advertisers and publishers.

The Company has invested considerable resources and funds in the planning, design and development of 3 new online advertising platforms.

The first of these, Footar was launched December 2010.

Footar, is a fully customisable “digital” search, content and advertising delivery platform which is fixed to the base of a web browser on ANY web site delivering online advertising. It supports text ads; search; rich media; display; video or a combination of these and while only recently launched, it is already live on hundreds of web sites (and counting).

Traditional click through rates of 1/1000 improve by as much as 10x to 1/100 using Footar, equaling better ROI for publishers and advertisers. This great ROI is achieved without negatively impacting performance of other traditional ad feeds on the same site.

Footar went live with over 300 websites at launch and is continuing to add new publishers on the platform on a regular basis both locally and internationally in the US, India and South East Asia.

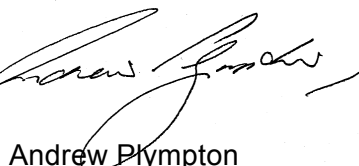
The launch of platforms like Footar is designed to increase market share and ultimately deliver increased value to customers, partners and ultimately our shareholders.

Outlook

We are positive about the outlook for AdEffective as our significant investment in technology and resources over the past 12 months starts to pay off and the Company looks to focusing its attention on signing up additional partners and clients to its range of online advertising offerings.

The global online advertising space is growing rapidly and AdEffective’s depth of unique technologies/platforms and management experience puts us in an excellent position to continue growing in 2011.

In light of the above, the Company is confident that it will meet its current and future financial obligations as and when they fall due whilst generating future cash flows.

A handwritten signature in black ink, appearing to read "Andrew Plympton".

Andrew Plympton
Chairman

28 February 2011

Appendix 4D

**AdEffective Limited and its
Controlled Entities**
(formerly The Swish Group Limited)
(ABN 93 085 545 973)

Appendix 4D
Australian Securities Exchange Listing

HALF YEARLY REPORT FOR THE SIX MONTHS TO 31 DECEMBER 2010

Name of Entity	AdEffective Limited
Australian Business Number	93 085 545 973
Report for Half Year Ended:	31 December 2010
Previous corresponding Financial Year ended:	30 June 2010
And Half Year Ended:	31 December 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		% Change	\$
Revenues from ordinary activities (<i>item 2.1</i>)	up	78%	to 1,044,932
Loss before interest, tax, depreciation, amortisation and impairment expenses	down	72%	to 786,251
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	down	72%	to 786,251
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	down	72%	to 786,251
Dividends (distributions) (<i>item 2.4</i>)	Amount per security	Franked amount per security	
Final dividend Interim dividend	Nil ¢	Nil ¢	
Previous corresponding period	Nil ¢	Nil ¢	
Record date for determining entitlements to the dividends (<i>item 2.5</i>)	N/A		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):			
Revenue for the half-year ended 31 December 2010 was \$1.05m . Earnings before interest, tax, depreciation, amortisation and impairment expenses were a loss of [\$0.8m] , compared to a loss of \$2.8m in the comparative period. The consolidated entity incurred a loss of [\$0.8m] for the half-year ended 31 December 2010, after taking account of impairment expenses of \$148,656 (2009 : \$39,155). The consolidated entity had net assets of \$1.6m at 31 December 2010. During the six months to 31 December 2010, the consolidated entity incurred net operating cash outflows of \$0.7m.			
There was no gain or loss of control over any entities during the half-year ended 31 December 2010.			
The Company does not propose to pay a dividend. No dividend or distribution plans are in operation.			

**ADEFFECTIVE LIMITED
(formerly The Swish Group Limited)
ABN 93 085 545 973
AND CONTROLLED ENTITIES**

**CONDENSED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2010**

**ADEFFECTIVE LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2010**

TABLE OF CONTENTS

	Page
Directors' Report	9
Auditor's Independence Declaration	11
Financial Report for the half year ended 31 December 2010	
Consolidated Statement of comprehensive income	12
Consolidated Statement of financial position	13
Consolidated Statement of changes in equity	14
Consolidated Statement of cash flows	15
Notes to the financial statements	16
Directors' Declaration	20
Independent Auditor's Report	21

ADEFFECTIVE LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

The Directors present their report together with the condensed financial report of the consolidated entity of AdEffective Limited (formerly the Swish Group Limited) and the entities it controlled for the half-year ended 31 December 2010 and independent review report thereon. This financial report has been prepared in accordance with AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*.

DIRECTORS

The names of the Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Andrew Plympton	Non-Executive Chairman Appointed 9 February 2010
Dean Jones	Executive Director, Chief Executive Officer Appointed Executive Director on and appointed Chief Executive Officer on 17 December 2009
Damian London	Non-Executive Director Appointed Non-Executive Director 17 December 2009
Cary Stynes	Non-Executive Director Appointed 14 January 2003; Resigned 26 October 2010

REVIEW AND RESULTS OF OPERATIONS

During the period, the Group continued to engage in its principal activity of search advertising in the digital media sector. The results are disclosed in the attached financial statement and broad comments as follows.

Financial performance

Sales revenue for the half-year ended 31 December 2010 was \$1.05m. Earnings before interest, tax, depreciation, amortisation and impairment expenses were a loss of [\$0.8m], compared to a loss of \$2.8m in the comparative period. The consolidated entity incurred a loss of \$0.8m in the half-year ended 31 December 2010 after taking account of impairment expenses of \$148,656 (2009: \$39,155).

Financial position

The consolidated entity had net assets of \$1.8m at 31 December 2010.

Cash flows

During the six months to 31 December 2010, the consolidated entity incurred net operating cash outflows of \$0.7m. The consolidated entity had cash of \$185,320 at 31 December 2010.

Results of segments

The Company's has only one operating segment being the Internet search and advertising business. As part of the reconstruction, the focus of the main activity of the Group is derivation of income through search advertising in the digital media sector. All other segments have been discontinued.

In the six months to 31 December 2010 Internet search and advertising generated \$1.05m revenue (2009: \$Nil) and loss after tax \$0.7m (2009: \$Nil).

Auditor's Independence Declaration

A copy of the Auditor's independence declaration in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Andrew Plympton".

Andrew Plympton
Chairman
28 February 2011

Auditor's Independence Declaration to the Directors of AdEffective Limited (formerly The Swish Group Limited)

In relation to our review of the financial report of AdEffective Limited (formerly The Swish Group Limited) for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized signature of the Ernst & Young firm, written in a cursive script.

Ernst & Young

A stylized signature of Robert Dalton, written in a cursive script.

Robert Dalton
Partner
Melbourne
28 February 2011

ADEFFECTIVE LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Notes	Half Year to 31 Dec 2010 \$	Half Year to 31 Dec 2009 \$
Continuing operations			
Revenue			
Sales revenue		1,044,932	-
Other income		3,157	-
		<u>1,048,089</u>	<u>-</u>
Direct costs		<u>(618,454)</u>	<u>-</u>
Gross profit		429,635	-
Employee benefits expense		(683,019)	(609,354)
Occupancy costs		(55,962)	(243,186)
Professional fees		(151,178)	(277,617)
Other		(175,024)	78,814
Loss before interest, tax, depreciation, amortisation and impairment expenses		(635,548)	(1,051,343)
Depreciation and amortisation expenses		-	(1,919)
Impairment expenses	8	(148,656)	(39,155)
Finance costs		(2,047)	(1,533)
Loss before income tax		(786,251)	(1,093,950)
Income tax benefit		-	-
Loss from continuing operations		(786,251)	(1,093,950)
Discontinued operations			
Loss from discontinued operations	3	-	(1,760,694)
Net Loss for the period		(786,251)	(2,854,644)
Other Comprehensive Income		-	-
Total Comprehensive loss for the period		(786,251)	(2,854,644)
 Loss per share from continuing operations (cents per share)	4		
- Basic loss per share		(0.0)	(0.2)
- Diluted loss per share		(0.0)	(0.2)
 Loss per share from discontinued operations (cents per share)	4		
- Basic loss per share		-	(0.0)
- Diluted loss per share		-	(0.0)

The accompanying notes form part of these financial statements.

ADEFFECTIVE LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	31 Dec 2010 \$	30 June 2010 \$
CURRENT ASSETS			
Cash and cash equivalents		185,320	575,952
Trade and other receivables		432,261	295,293
Prepayments		50,000	250,000
TOTAL CURRENT ASSETS		667,581	1,121,245
NON-CURRENT ASSETS			
Prepayments		175,000	-
Intangible assets	8	1,268,560	1,507,216
Plant and equipment		-	3,547
TOTAL NON-CURRENT ASSETS		1,443,560	1,510,763
TOTAL ASSETS		2,111,141	2,632,008
CURRENT LIABILITIES			
Trade and other payables		539,667	613,791
TOTAL CURRENT LIABILITIES		539,667	613,791
TOTAL LIABILITIES		539,667	613,791
NET ASSETS		1,571,474	2,018,217
EQUITY			
Share capital		25,430,398	25,392,930
Reserves		413,547	111,507
Accumulated losses		(24,272,471)	(23,486,220)
TOTAL EQUITY		1,571,474	2,018,217

The accompanying notes form part of these financial statements.

ADEFFECTIVE LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2010	25,392,930	111,507	(23,486,220)	2,018,217
Loss for the year	-	-	(786,251)	(786,251)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(786,251)	(786,251)
Transactions with owners in their capacity as owners				
Share based payments	37,468	16,335	-	53,803
Convertible notes	-	300,705	-	300,705
Transaction costs		(15,000)	-	(15,000)
At 31 December 2010	25,430,398	413,547	(24,272,471)	1,571,474
At 1 July 2009	21,842,309	57,485	(24,205,669)	(2,305,875)
Loss for the year	-	-	(2,854,644)	(2,854,644)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(2,854,644)	(2,854,644)
Transactions with owners in their capacity as owners	-	-	-	-
At 31 December 2009	21,842,309	57,485	(27,060,313)	(5,160,519)

The accompanying notes form part of these financial statements.

ADEFFECTIVE LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half Year to 31 Dec 2010 \$	Half Year to 31 Dec 2009 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	907,965	692,199
Payments to suppliers and employees	(1,600,409)	(734,972)
Interest received	3,157	-
Borrowing costs	(2,047)	(2,661)
Net cash (used) in operating activities	(691,334)	(45,434)
CASH FLOW FROM INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of convertible notes	300,702	306,538
Net cash flows provided by financing activities	300,702	306,538
Net (decrease) / increase in cash and cash equivalents	(390,632)	261,104
Cash and cash equivalents at beginning of half-year	575,952	8,585
Cash and cash equivalents at end of the half-year	185,320	269,689

The accompanying notes form part of these financial statements.

**ADEFFECTIVE LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

(a) Basis of preparation of the half-year financial report

This half-year financial report does not include all the notes of the type usually included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2010 and any public announcements made by Adeffective Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

This condensed half-year financial report has been prepared in accordance with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

(b) Going concern basis of accounting

Notwithstanding the loss for the period of \$807,239 and net cash outflows used in operations of \$691,334 for the half year ended 31 December 2010, the financial report has been prepared on a going concern basis. The directors are confident that the combination of careful management of overheads, the continuation of its revenue growth from the online search advertising operations, and the potential to raise capital should circumstances require, provides sufficient funds to meet ongoing capital requirements of the Group and the Company for the foreseeable future.

Whilst there is significant uncertainty, the directors consider it appropriate to prepare the accounts on a going concern basis as they are satisfied that based on the factors outlined, the Group will be able to meet its debts as and when they become due and payable for a period of at least 12 months from the date of this report.

Accordingly without funding from positive operating cash flows and ability to raise capital if required, there would be a material uncertainty as to whether the consolidated entity would be able to continue as a going concern and therefore whether it would be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts or classifications of liabilities that might be necessary should the consolidated entity not continue as a going concern.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Adeffective Limited controlled from time to time during the year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(d) Goodwill and Intangibles

Goodwill

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

2. DIVIDENDS

The Company does not intend to pay a dividend in respect of the period ended 31 December 2010 (2009: nil). The Company does not have any dividend or distribution reinvestment plans in operation.

ADEFFECTIVE LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

3. DISCONTINUED OPERATIONS

During the half – year ended 31 December 2010, the Group discontinued its activities in the following businesses:

- Telecommunication
- Digital signage, media and online music

The results of the discontinued operations for the period of the half – year until disposal are presented below:

	31 December 2010	31 December 2009
	\$	\$
Revenue	-	586,815
Direct costs	-	(480,144)
Employee expenses	-	(870,797)
Other expenses	-	(664,628)
Impairment losses	-	(318,558)
Depreciation expense	-	(12,254)
Finance costs	-	(1,128)
Loss from discontinued operations before tax	-	(1,760,694)
Income tax	-	-
Loss from discontinued operations after tax	-	(1,760,694)

4. EARNINGS PER SECURITY AND THE NATURE OF ANY DILUTION ASPECTS

Basic earnings/(loss) per share: (0.0) cents (2009: (0.2) cents)

Net loss: [(\$756,251)] (2009: (\$2,854,644))

Weighted average number of shares used in calculating basic earnings per share: 1,640,879,761
(2009: 1,283,674,612)

Diluted earnings/(loss) per share: (0.0) cents (2009: (0.2) cents)

Weighted average number of shares used in calculating diluted earnings per share: 1,640,879,761
(2009: 1,283,674,612)

As the consolidated entity has made a loss in the current and prior periods, the impact of options is anti-dilutive, and as such has not been included in the calculation of diluted EPS.

5. NET TANGIBLE ASSETS PER SECURITY

Net tangible asset backing per ordinary security at 31 December 2010 was 0.0 cents (2009: 0.0 cents).

6. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

During the half year ended 31 December 2010, the Company did not acquire any subsidiary entities.

Loss of control of entities

There was no disposal of subsidiary entities in the half-year ended 31 December 2010.

**ADEFFECTIVE LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

7. ASSOCIATES AND JOINT VENTURE ENTITIES

The Company did not have any interests in associates or joint venture entities during the period ended 31 December 2010 (2009: nil).

8. INTANGIBLE ASSETS

	31 December 2010	31 December 2009
	\$	\$
Carrying values		
Goodwill		
At cost	1,507,216	1,507,216
Impairment of Goodwill	(148,656)	-
Earn out payment adjustment	(90,000)	
	1,268,560	1,507,216

Impairment Testing of Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The Company has not completed fully its assessment of the allocation of the purchase price of the Planet W Internet search and advertising business on 30 April 2010 and the mp3.com.au, Nice Shorts and The Scene online businesses acquired on 4 June 2010. In accordance with Australian Accounting Standards, the allocation is provisioned at the date of this report and will be completed by 30 April 2011. An adjustment to the estimated earn-out liability of \$210,000 on the acquisition of the Planet W business has been booked in the half year ended 31 December 2010, resulting in a \$90,000 reduction in the estimated liability, as shown in the table above.

For the purpose of impairment testing, goodwill acquired through business combinations in the year ended 30 June 2010 has been allocated to the Online Search and Advertising cash generating unit, which is an operating segment (refer Note 10). Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

The impairment test performed has been based on a value in use calculation, using pre-tax cash flow projections for a five year period, based on a financial budget prepared by senior management for Year 1 and financial projections for a further four year period. The discount rate applied to the cash flow projects was 15% with an expected growth rate of up to 5% for years 2-5. The group has recorded an impairment loss as a result of this test of \$148,656 at 31 December 2010 based on the impairment identified through the testing performed.

9. SUBSEQUENT EVENTS

Since the end of the period, except for the matters noted below, no events other than those listed below would have a material impact on the interim financial report.

- Successful capital raising of \$200,000 through the issue of convertible notes to Managing Director Dean Jones.

10. SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are used and reviewed by the executive leadership of the Group to assess performance.

The operating segments have been identified by management and are based on the type of service provided. Separate financial information about each of these operations is compiled in a monthly reporting package.

Types of services

Internet search & Advertising

This segment is based on a online advertising business that serves advertising onto websites 'with' major publishers and advertisers. The business through both direct and partnerships with the major sector players allow for an increase yield in revenue through the aggregation of many players.

ADEFFECTIVE LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in the most recent annual report.

Corporate charges

Corporate charges relates to administration and corporate compliance activities on behalf of the Group.

The following table presents revenue and loss information for reportable segments for the half-year ended 31 December 2010.

	Internet search & Advert	Consolidated
Half year ended 31 December 2010		
Sales to external customers	1,044,932	1,044,932
Inter – segment sales	-	-
Total segment revenue	<u>1,044,932</u>	<u>1,044,932</u>
Other revenue		3,157
Total revenue per the statement of comprehensive income		<u>1,048,089</u>
 Results		
Segment results	(696,711)	(696,711)
Reconciliation of segment net loss after tax to net loss before tax		
Income tax benefit		-
Corporate Charges		(89,540)
Net loss before tax per the statement of comprehensive income		<u>(786,251)</u>
 ASSETS		
Segment assets	2,111,141	2,111,141
Unallocated assets		-
Total assets from continuing operations per the statement of financial position		<u>2,111,141</u>
 LIABILITIES		
Segment liabilities	539,667	539,667
Unallocated liabilities		-
Total liabilities from continuing operations per the statement of financial position		<u>539,667</u>

Half-year ended 31 December 2009

No comparatives are disclosed as the Internet research & Advert reportable segment commenced operations after the corresponding comparative period.

**ADEFFECTIVE LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

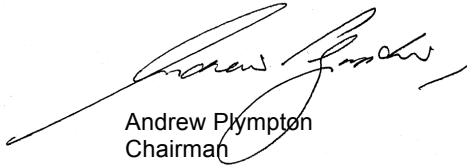
The Directors declare that the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Act 2001, and
- (b) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2010 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that AdEffective Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the board

A handwritten signature in black ink, appearing to read "Andrew Plympton".

Andrew Plympton
Chairman

28 February 2011

To the members of AdEffective Limited (formerly The Swish Group Limited)

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of AdEffective Limited (formerly The Swish Group Limited) (the company), which comprises the consolidated balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the half year end or from time to time during the half year.

Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*. As the auditor of AdEffective Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of AdEffective Limited is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As indicated in Note 1 (b) to the interim financial statements, the consolidated entity's ability to continue as a going concern is dependent on the consolidated entity being successful in generating positive operating cashflows, and if required, its capacity to raise capital to fund the Company's operations and growth plans.

Accordingly without funding from positive operating cashflows and ability to raise capital if required, there would be a material uncertainty as to whether the consolidated entity would be able to continue as a going concern and therefore whether it would be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts or classifications of liabilities that might be necessary should the consolidated entity not continue as a going concern.

A stylized signature of the Ernst & Young firm, written in a cursive script.

Ernst & Young

A stylized signature of Robert Dalton, written in a cursive script.

Robert Dalton
Partner
Melbourne
28 February 2011