qxq

Q Ltd - the digital marketing group

INVESTOR PRESENTATION

2010 Full Year Results

August 2010

Index

1. FY 2010 Results

1.1 Key FY 2010 Highlights

- EBITDA before impairment ($235,000)
  - First half - $225,000 Loss
  - Second half - $10,000 Loss
  - Second half (before non recurring items of $329K) - $319,000 Profit
- Sales Revenue up 1.7% to $27.5 million
- Cash balance of $1.2 million at June 2010
- Entered into Exclusive Agreement with SearchIgnite

1.2 FY 2010 Results - Continuing Operations

CONTINUING OPERATIONS	2009/10 $000	2008/09 $000	Change %
Sales Revenue			
Digital Marketing	27,568	27,117	1.7
Total Sales Revenue	27,568	27,117	1.7
Revenue From Other Sources			
Digital Marketing	100	121	17.4
Corporate	7	56	87.5
Total Revenue From Other Sources	107	177	39.5
Total Revenue	**27,675**	**27,294**	**1.4**
EBITDA Before Impairment			
Digital Marketing	1,622	3,728	56.5
Corporate	(1,857)	(2,261)	17.9
Total EBITDA before Impairment	**(235)**	**1,467**	**n/c**
Less: Depreciation	(565)	(788)	28.3
Less: Impairment	(27,121)	-	n/c
EBIT	**(27,921)**	**679**	**n/c**
Net Interest Income/(expense)	(3)	95	n/c
Net Profit/(Loss) Before Tax	**(27,924)**	**774**	**n/c**
Income Tax Benefit/(expense)	195	-389	n/c
Net Profit/(Loss) After Tax	**(27,729)**	**385**	**n/c**

1.3 FY 2010 Results By Half Year

CONTINUING OPERATIONS	2009/10 1st Half $000	2009/10 2nd Half $000	2009/10 Total $000
Sales Revenue			
Digital Marketing	14,068	13,500	27,568
Total Sales Revenue	**14,068**	**13,500**	**27,568**
Revenue From Other Sources			
Digital Marketing	39	61	100
Corporate	3	4	7
Total Revenue From Other Sources	42	65	107
Total Revenue	**14,110**	**13,565**	**27,675**
EBITDA Before Impairment			
Digital Marketing	899	723	1,622
Corporate	(1,124)	(733)	(1,857)
Total EBITDA before Impairment	**(225)**	**(10)**	**(235)**
Less: Depreciation	(252)	(313)	(565)
Less: Impairment	(20,231)	(6,890)	(27,121)
EBIT	**(20,708)**	**(7,213)**	**(27,921)**
Net Interest Income/(expense)	5	(8)	(3)
Net Profit/(Loss) Before Tax	**(20,703)**	**(7,221)**	**(27,924)**
Income Tax Benefit/(expense)	150	45	195
Net Profit/(Loss) After Tax	**(20,553)**	**(7,176)**	**(27,729)**

1.4 Recent New Client Wins

ENTERTAINMENT
Fatso (NZ)

FINANCE
Kiwi Bank (NZ)
Mortgage Choice
Westpac

HEALTHCARE
Invacare (NZ)

INSURANCE
Alliance
Chartis

MANUFACTURING
Fisher & Paykel

ONLINE SHOPPING PORTALS
Grays Online
Shopping.com (EBAY)

PROPERTY DEVELOPMENT
Brookfield Multiplex

RETAIL
Big W
IKEA
Number 1 Shoes (NZ)
Progressive Enterprises (NZ)

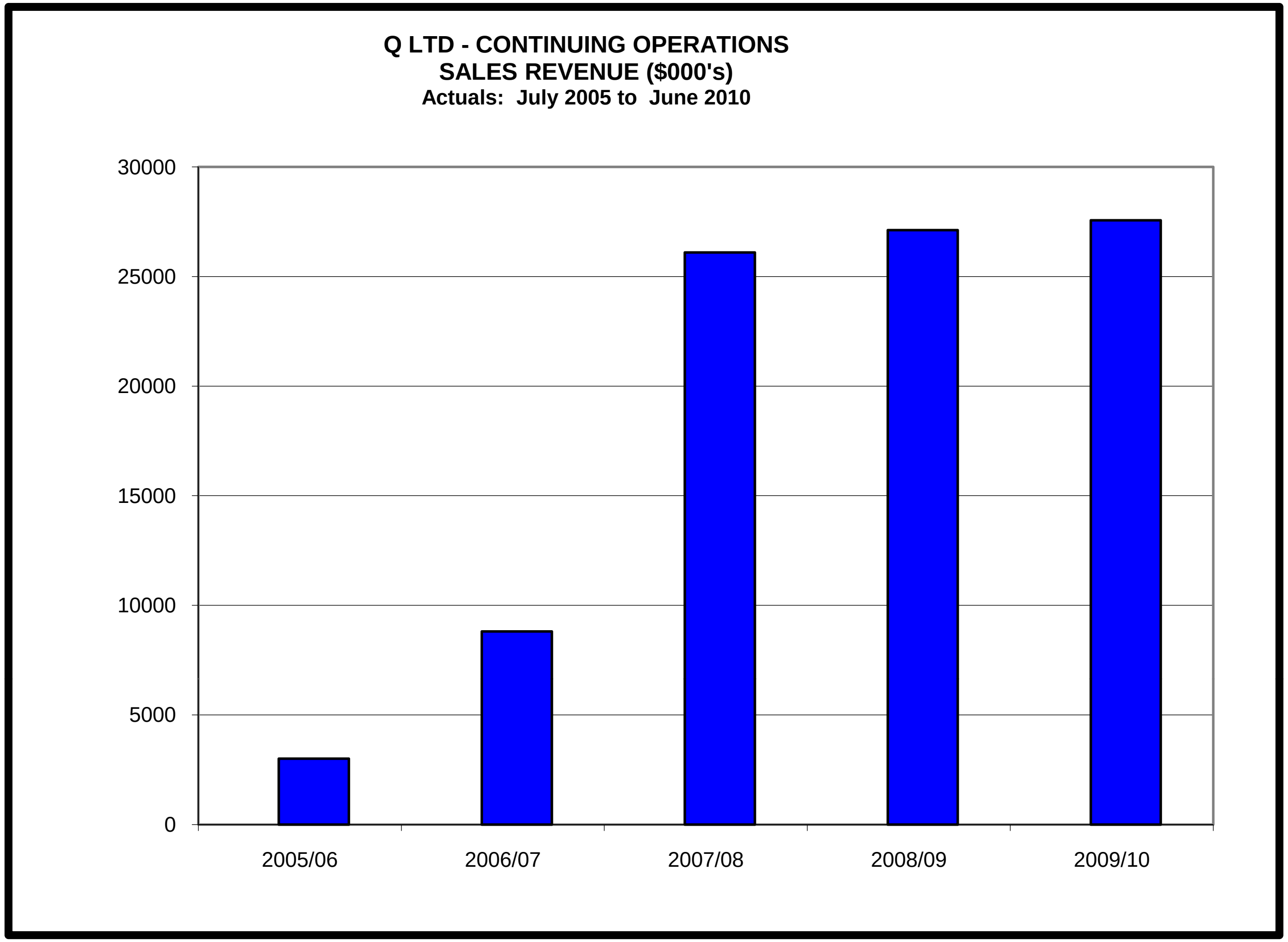
TELECOMMUNICATIONS
iiNet
Vodafone

TRAVEL
House of Travel (NZ)
Rooms Direct (Air New Zealand)

UTILITIES
AGL
Contact Energy (NZ)
Synergy (electricity WA)

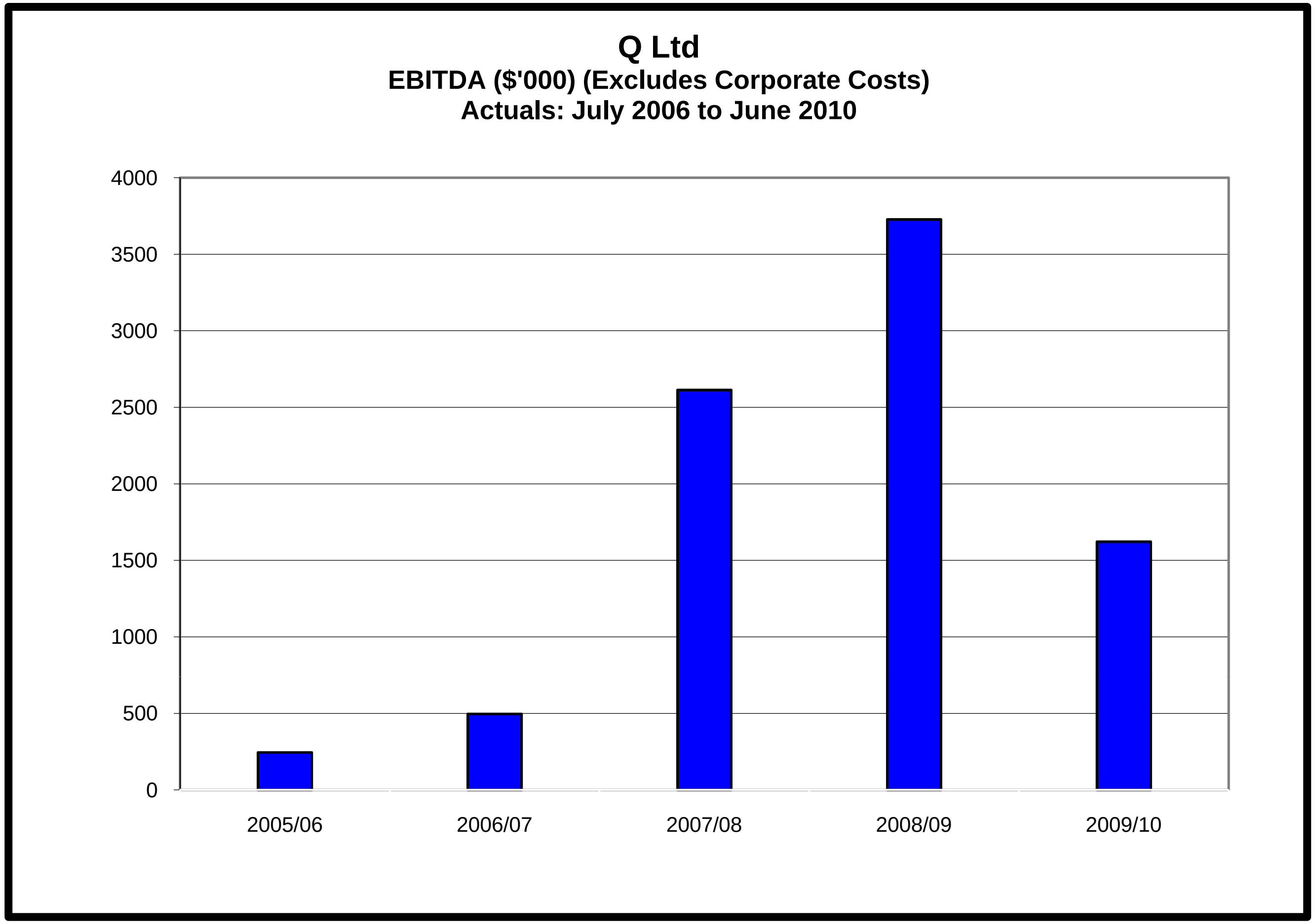
2. Historical Financial Performance

2.1 Revenue

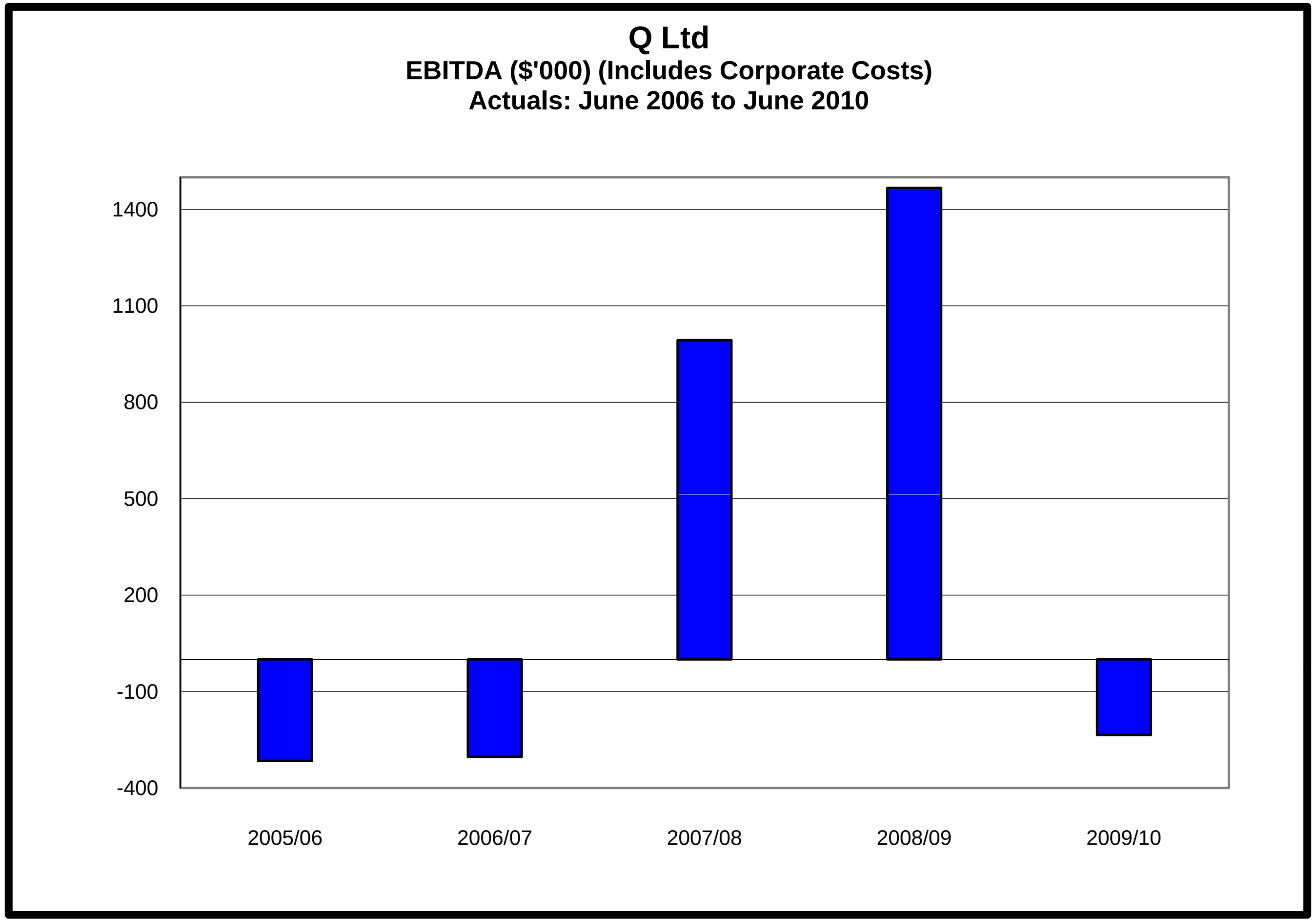


Q LTD - CONTINUING OPERATIONS
SALES REVENUE ($000's)
Actuals: July 2005 to June 2010
30000
25000
20000
15000
10000
5000
0
2005/06
2006/07
2007/08
2008/09
2009/10

2.2 EBITDA (Excludes Corporate Costs)



2.3 EBITDA (Includes Corporate Costs)



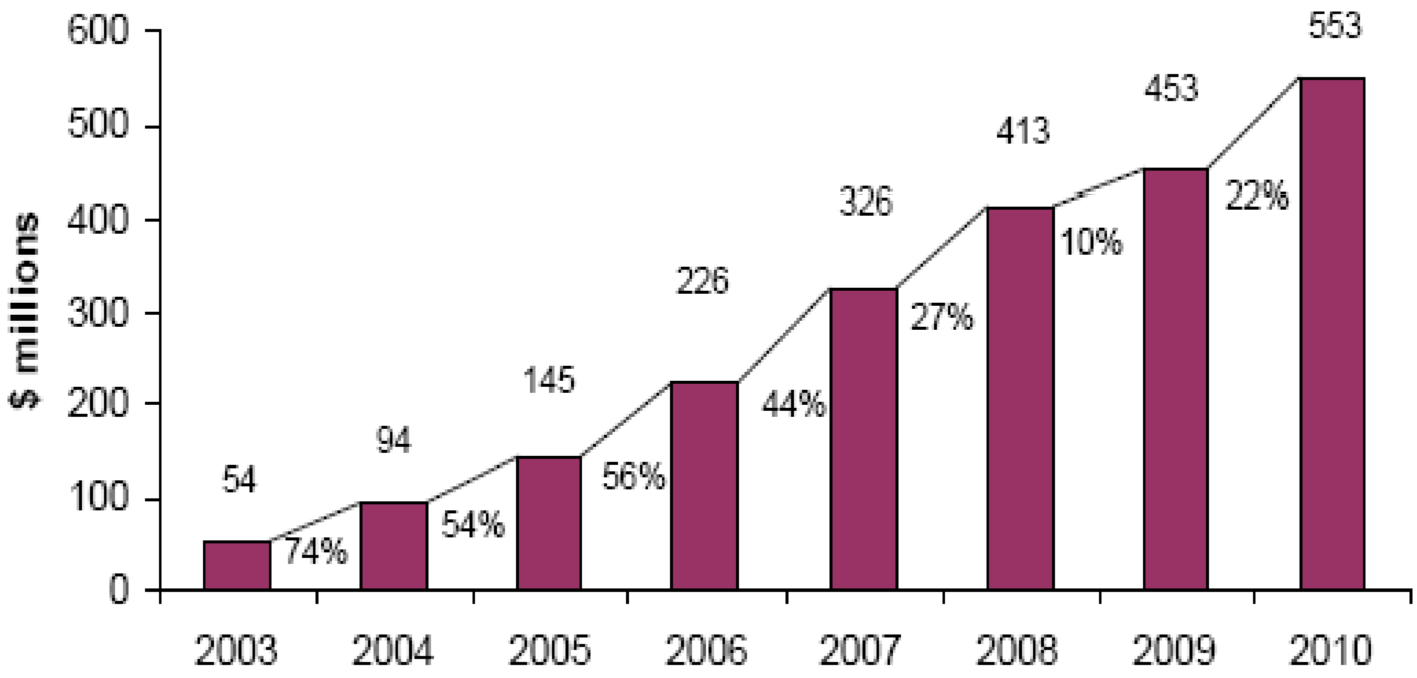
2.4 Balance Sheet (After Impairment Charge)

	Jun-07	Jun-08	Jun-09	Jun-10
	$'000	$'000	$'000	$'000
Current Assets				
Cash on Hand	3,731	4,837	2,429	1,199
Receivables	3,655	5,430	5,021	5,494
Inventories	-	-	-	-
Other	65	82	52	34
Total Current Assets	**7,451**	**10,349**	**7,502**	**6,727**
Non Current Assets				
Other financial assets	0	19	19	-
Property Plant and Equipment	406	924	873	700
Deferred tax assets	2,649	2,960	2,882	3,077
Intangible Asssets	5,829	21,084	29,089	2,774
Total Non Current Assets	**8,884**	**24,987**	**32,863**	**6,551**
Total Assets	**16,335**	**35,336**	**40,365**	**13,278**
Current Liabilities				
Payables	5,502	9,016	11,150	5,858
Current Tax Liabilities	-	-	-	-
Borrowings	9	42	270	260
Provisons	141	404	386	556
Total Current Liabilities	**5,652**	**9,462**	**11,806**	**6,674**
Non Current Liabilities				
Borrowings	30	8	10	-
Provisions	24	36	82	-
Total Non Current Liabilities	**54**	**44**	**92**	**-**
Total Liabilities	**5,706**	**9,506**	**11,898**	**6,674**
Net Assets	**10,629**	**25,830**	**28,467**	**6,604**
Shareholders' Equity				
Ordinary Share Capital	23,198	39,170	41,393	47214
Retained Profits	(12,640)	(13,415)	(13,030)	(40,759)
Reserves	71	75	104	149
Total Shareholders' Equity	**10,629**	**25,830**	**28,467**	**6,604**

3. Market Overview

3.1 Overall Online Advertising Market - June Quarter Revenues

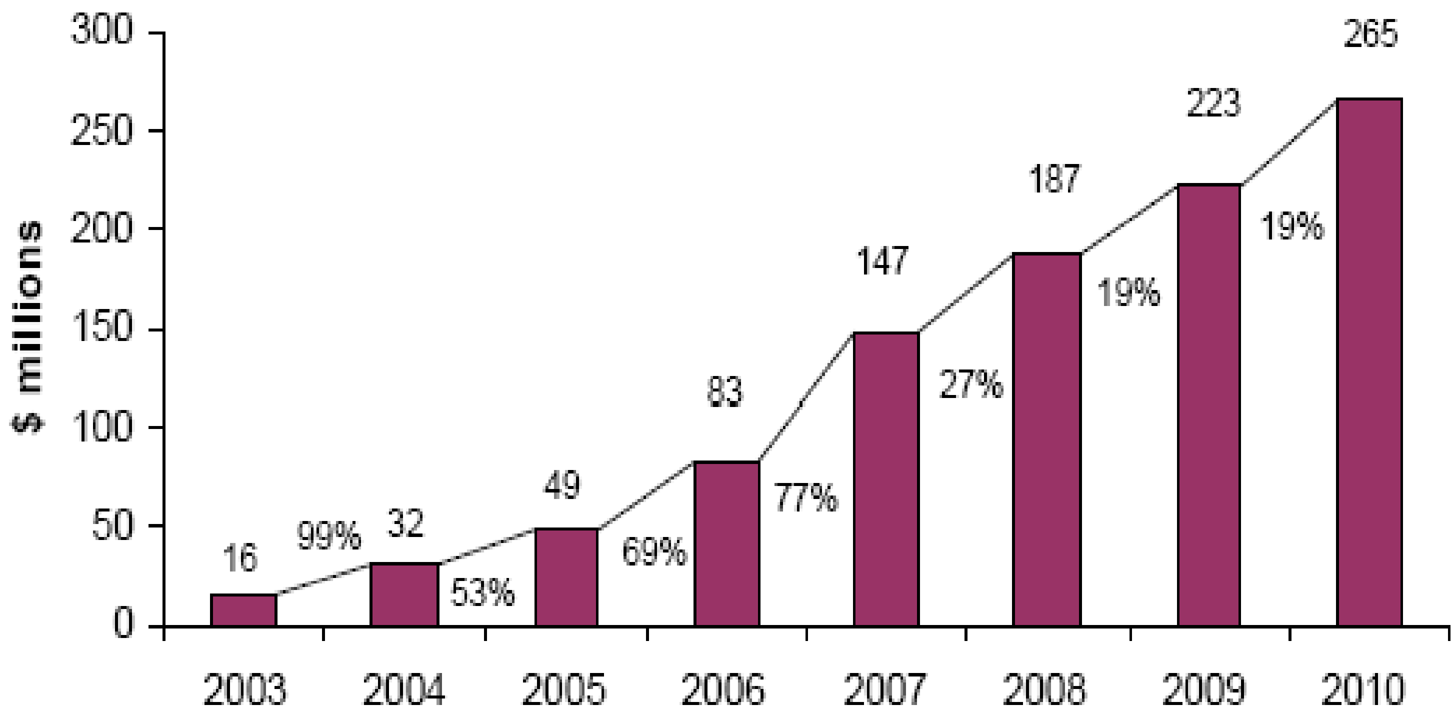
June Quarter Total Market $ Expenditure – 2003 through 2010



PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – June 2010

3.2 Search & Directories Advertising Expenditure - June Quarter Revenues

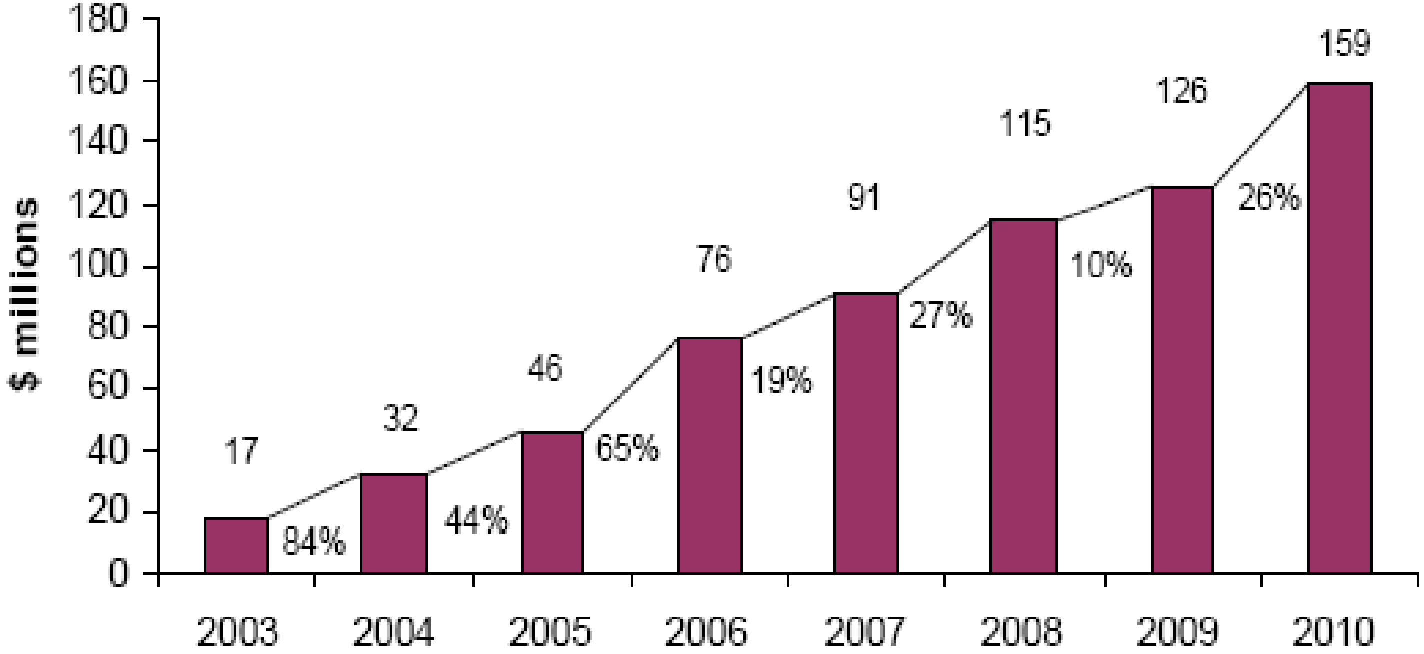
June Quarter Total Market $ Expenditure – 2003 through 2010



PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – June 2010

3.3 General Display Advertising Expenditure - June Quarter Revenues

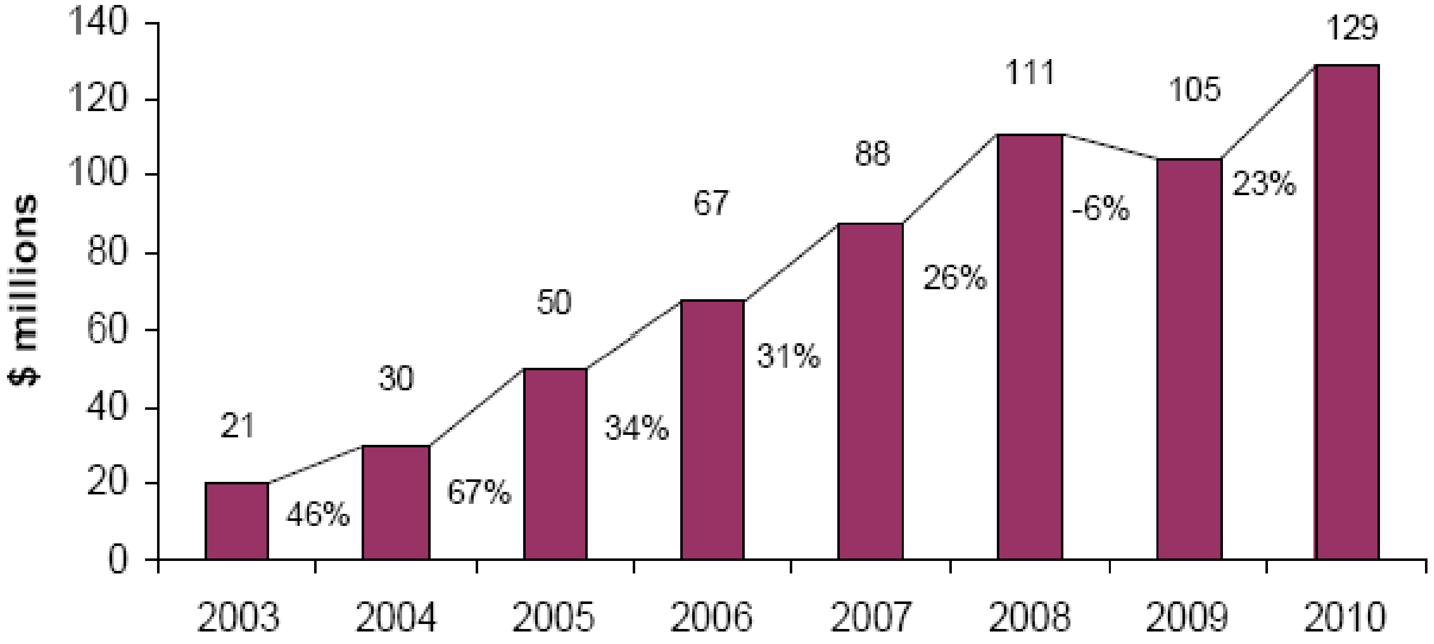
June Quarter Total Market $ Expenditure – 2003 through 2010



PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – June 2010

3.4 Classifieds Advertising Expenditure - June Quarter Revenues

Fourth-Quarter Total Market $ Expenditure – 2003 through 2010



PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – June 2010

3.5 Online Advertising Market Forecast

PWC Report titled "PWC Media Outlook 2010 – 2012" stated that online advertising in Australia is expected to grow at the following rates:

- **13% in 2010**
- **12% in 2011**
- **10.2% in 2012**

4. Company Overview

4.1 Divisional Structure

4.2 Digital Marketing Services Division

4.3 thinq

- Established 1st July 2009
- **Key Services Offered:**
  - Complete digital strategy development
  - Website and systems planning
  - Systems analysis and vendor selection
  - Online Media Strategy
  - Client and Agency Education
- **Taking advantage of changing digital markets and clients**
- Supports the clients who want to be further educated about opportunities for them in the constantly changing digital market
- thinq's social media strategy work has been well received by clients
- **www.thinqdigital.com.au**

thinq devising digital

4.4 market united

- Established in 2002
- **Key Services Offered:**
  - Creative solutions
  - Web and mobile technology solutions
  - Online media planning and buying
  - Account and project management
  - Design and build websites and hard-core systems
  - Traffic acquisition, conversion and retention of client's customers
  - Develop campaign strategies
  - Create and design online advertising
  - Develop campaign systems, sites and evaluate the performance of a client's campaign
  - website usability research
- **www.marketunited.com**

4.5 first rate

- Established in 1999 by Jon Ostler
- **Key Services Offered:**
  - Search Engine Optimisation (SEO)
  - Search Engine Marketing (SEM)
  - Performance Marketing
  - Analytics
- **www.firstrate.co.nz**
- **www.firstrate.com.au**

firstrate
leaders in search & performance

4.6 3dinteractive

- **About 3di:**
- Formed in 2003 by Mark Halstead
- 3di is an interactive advertising sales network that provides sales representation for a network of Australasia's premier permissions databases and digital media properties, to advertising agencies and their clients.
- **Key Services Offered:**
  - Advertising sales network for permissioned databases and digital media properties
  - Digital media sales representation – website, email, mobile
  - Email and mobile marketing
  - Performance marketing
  - Digital media sales representation –email and mobile lists
  - Direct marketing representation – business, fax, mail, telemarketing lists
  - database profiling
  - Adverting Operations (Trafficking) for Agencies, Publishers and Clients
  - Campaign Management
- **www.3dinteractive.com.au**

4.7 Digital Assets Division

Digital Asssets Division

Permissioned Databases

- The Great Australian Survey
- The Great New Zealand Survey
- The Great UK Survey

Other Digital Assets

- The Performance Network

- Established 1st July 2009
- Existing group assets forming part of this division
  - The Great Australian Survey
  - The Great New Zealand Survey
  - The Great UK Survey

  GAS
- The Performance Network (TPN)

4.8 qed – Existing Assets - GAS

- **Established in 2004**
  - Leader in the collection of detailed demographic, lifestyle and purchasing data of consumers in Australia, NZ and the UK
  - Providing opt-in data for the Market Research and Direct Marketing Industries
  - Gives advertisers, marketers and researchers the ability to deliver highly targeted and efficient direct-to-consumer marketing communications

- **Key Services Offered:**
  - Permissioned Data driven (B2B and B2C) advertising campaigns
  - Cost effective targeting, capturing and interaction with select groups of highly qualified consumers either online, offline or via mobile communications

- **www.thegreatsurveysites.com**

4.9 qed - Existing Assets - TPN

Established in 2006

- NZ
  - 1st New Zealand Performance Ad Network
  - Facilitating 'performance' advertising between advertisers and web sites
  - Performance marketing is at an early stage of growth in NZ
  - Spend expected to grow as a % of online marketing in line with global trends
  - TPN system recently enhanced to meet the requirements of a maturing market and re-launched in NZ in Sept 2009
- Australia
  - Enhanced system launched in Australia (in November 2009)
  - 3dinteractive providing sales channel
  - Enhanced system is expected to compete with and outperform current established performance ad networks in the market

- www.tpn.co.nz
- www.tpn.com.au

4.10 qed – New Digital Assets

- Increasing the Group's ownership of permissioned data by developing new web assets to facilitate member acquisition
- **www.qedigital.com**

5. Regional Overview

5.1 Provision of Services By Region

	SYD	MEL	PERTH	NZ
3d interactive	√	√	√	√
First Rate	√	√	√	√
Market United	√	√	√	√
thinq	√	√	√	√
TPN	√	√	√	√
Great Surveys	√	√	√	√

6. The Tasks Ahead for 2010/11

The Tasks Ahead for 2010/11

Digital marketing services:

b) Media Sales

- Pursue positive impact on Media Sales from TPN and new consumer membership portal.

b) Agency-Search/Performance

- Continue to grow search business at a healthy rate in Australia and New Zealand.
- Growth expected in SEO (Optimisation), SEM (Marketing) and Performance Media.
- Appointment during the Second Half of 2010 as the exclusive licensee in Australia and New Zealand of the Search Engine Marketing (SEM) technology, SearchIgnite. SearchIgnite will continue supporting revenue growth from SEM and Performance.

The Tasks Ahead for 2010/11 cont..

c) **Agency- Development**

Focusing on larger key clients.

d) **Strategy**

thinq digital continue to provide strategy advice to key clients.

<u>Digital assets</u>:

a) **Permissioned data bases**

Continue broadening the appeal of the Group's permissioned data bases to our clients.

Launch of a new membership portal to support and expand our existing permissioned data business. Returns on the investment will be realised starting from Second Half FY 2011 and will have a more significant impact on contribution in the Group in FY 2012 and beyond.

b) **The Performance Network (TPN)**

Strong dedicated team supported by superior technology.

The Tasks Ahead for 2010/11 cont..

c) **Digital Promotions Platform**

Launch of a tier-1 digital promotions platform to support agency and media clients.

Across the Group:

- Focus on organic revenue growth
- Focus on EBITDA growth
- Increase cross selling to clients

7. Corporate

7.1 Capital Structure

Issued Capital	No. of shares (millions)
Issued Capital @ 30/06/10	67.8
Market Cap as at 27/08/10 @ $0.037	**$2.5M**

Options On Issue	Expiry Date	No. of Options
Exercise Price - $2.68	30/09/2010	11,250
Exercise Price - $2.90	30/09/2011	16,250
Exercise Price - $3.12	30/09/2012	16,250
Exercise Price - $4.31	30/03/2012	31,500
Exercise Price - $4.67	30/03/2013	31,500
Exercise Price - $5.03	30/03/2014	31,500
Total Options on Issue		**138,250**

7.2 Board Members

Campbell, Kevin	Non-executive Chairman
Bennie, Bruce	Non-Executive Director
Choiselat, Paul G	MD/CEO
Halstead, Mark	Executive Director & CEO 3dinteractive
Koo, Andrew	Non-Executive Director

Company Secretary

Chuah, May	Company Secretary/CFO

8. Questions?

Thank you

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Find Us On The Web

Company	Website
Q Ltd	qxq.com.au
thinq	thinqdigital.com.au
market united	marketunited.com
first rate	firstrate.com.au
	firstrate.co.nz
3d interactive	3dinteractive.com.au
GAS	thegreatsurveysites.com
	aussiesurveys.com.au
	ausbizsurveys.com.au
	kiwisurveys.co.nz
	kiwibizsurveys.co.nz
	greatuksurveys.co.uk
TPN	tpn.co.nz
	tpn.com.au
qed	qedigital.com

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It is intended that this document be read in conjunction with all other announcements made to the ASX and in particular, the statements of financial performance by QXQ.

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