

17<sup>th</sup> May 2010

Company Announcements Office  
ASX Limited  
Level 4, Bridge Street  
Sydney NSW 2000

**ASX ANNOUNCEMENT**

Please see attached an ASX announcement on the Company's revised profit guidance.

Yours sincerely



May Chuah  
Company Secretary/ CFO

## SECOND HALF FY 2010 PROFIT GUIDANCE REVISION

In its Half Year report for the period ending 31 December 2009 the Company provided a Second Half outlook for revenue of approximately \$15M and EBITDA in the range of \$700,000 to \$800,000.

Having reviewed the March quarter results and earning expectations for the June Quarter, the Company now believes that revenue for the Second Half 2010 will be approximately \$12.7M and EBITDA will be approximately breakeven.

The revised anticipated result is a disappointment given where we were expecting to be at Half Year. The following factors have contributed to the lower than anticipated result.

### 1) Media Sales

Our Media Sales business was affected by 3 key factors:

#### a) Online Advertising Market

The General Display component of the IAB Online Advertising Expenditure report produced by PWC stated that this category decreased by 11% from the December 2009 quarter. The Company's results were affected by this overall decline in the market.

#### b) Late reaction to shift from CPM to Performance form

We stated in the First Half report that the First Half Media Sales had been disappointing and that we expected a continued disappointing result in Australia in the Second Half. We are still playing "catch up" with the move from CPM based pricing to a performance based pricing approach.

Our performance offering through The Performance Network (TPN) is seeing a significant improvement in revenue (from a low base) but as advised in the Half Year report, we don't expect the full impact of TPN on Media Sales to be felt until FY 2011 and beyond.

c) Media Sales team restructure

We are currently undertaking a restructure of our Media Sales Team to take into account the different skill set required to sell performance based compared to CPM based advertising. This has incurred some redundancy costs and has/will incur recruitment costs. These one off costs are likely to be around \$200,000.

We believe that the lower level of sales revenue from Media Sales negatively impacted Group EBITDA by approximately \$400,000.

2) Agency - Development

We stated in the First Half Report that after a disappointing First Half we had expected the Second Half to bounce back positively. Although this activity has improved, it has not done so at the rate which we had expected. This is expected to impact the 6 months EBITDA by approximately \$200,000.

3) Summary

	EBITDA impact (\$000)
Media Sales revenue	(400)
Media Sales team restructure	(200)
Agency – Development sales	(200)
	<u>(800)</u>

**Further information:**

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