

## ANSEARCH Q2 REVENUE SOARS, COMPANY RETURNS TO PROFITABILITY

19 January 2009

Ansearch Limited (ASX: ANH) today reported outstanding second quarter revenue growth, the Company's return to profitability and positive outlook.

Highlights include:

- Q2 revenue up 30 per cent on prior corresponding period; up 68 per cent on Q1
- Significant future revenue growth forecast
- Group reaches profitability; is cash flow positive in December 2008
- Cash position improves over September quarter; directors reaffirm positive outlook

Details of the Company's financial performance, divisional results and management comments follow.

### Financial Performance

For the December quarter, Group **revenue soared 68 per cent** on the previous quarter, and 30 per cent compared to the prior corresponding period, to \$3.42 million, with both the Webfirm and Searchworld divisions posting strong gains.

In December the Company achieved its **second highest revenue month on record**.

The month of December also saw the Company **return to profitability** due to additional revenue generation and continued cost reduction strategies.

Ansearch chairman Andrew Barlow said these results were especially satisfying given they were achieved during a period of economic slowing and financial market instability.

"Since the appointment of the new board and CEO in 2008, significant effort has gone into turning the business around and structuring it for growth," Mr Barlow said.

"Due to the diligence and hard work of the Ansearch team, results are being realised, and the Company is now well positioned to escalate its growth plans."

Mr Barlow added that although seasonal factors would affect some divisions in January and February, the directors expect Group **revenue to grow significantly** in quarters three and four.

### Cash Position

The directors believe the Company has **sufficient cash** for working capital to see the Company through to sustainable profitability. At end December 2008 cash at bank was \$1.6 million, up from \$1.4 million at the end of the previous quarter.

## **Divisional Achievements**

Ansearch chief executive officer, David Burden, congratulated his team on the Company's tremendous revenue growth, return to profitability and on the numerous accolades Ansearch had recently won.

"Although Ansearch operates in a growth sector, we face the same challenging environment as our media company peers," Mr Burden said.

"We have always been confident in our strategy and approach to market.

"These results demonstrate the talent and determination of our management team and hard-working staff: together they have delivered on plan, generating exceptional customer results and loyalty.

"We are very excited about building on these achievements in the quarters to come."

## **New Awards**

Mr Burden noted Ansearch's accomplishments continued to receive public recognition. In October Ansearch achieved seventh place in the 2008 BRW Fast 100, a particularly satisfying result given it was the Company's first year of entry. In November Ansearch secured fifth place in the 2008 Deloitte Technology Fast 50, becoming the only company to make the top five in the past two consecutive years. That award was reinforced in December with a top 100 ranking in the Deloitte Asia Pacific Fast 500.

## **Searchworld Efforts Convert to New Revenues**

The Company previously announced it had 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 to a 165 per cent increase in revenue for Searchworld over the previous quarter. Mr Burden said that Searchworld's second quarter revenue of \$1.74 million was expected to grow substantially in the third and fourth quarters as the division continued to build upon its existing relationships with Google, Yahoo and Infospace and its expanding customer base.

## **Webfirm Revenues Strengthen**

The Webfirm division has rebounded in the second quarter, with revenues climbing 22 per cent to \$1.27 million. Mr Burden noted additional cost savings had been achieved in this division as a result of recently introduced operating efficiencies that had also reduced the delivery time for new websites.

## **Ansearch Media**

Mr Burden said Ansearch Media remained the business division most affected by the economic slowdown. Over the last quarter management have been carefully monitoring performance and taken steps to further reduce costs to ensure the Media division remains close to or better than breakeven position. Ansearch Media's big recent win was securing exclusive advertising representation rights to The Biggest Loser Club website publisher ([www.biggestloserclub.com.au](http://www.biggestloserclub.com.au)), a key Australian site that enjoys enduring popularity.

Mr Burden concluded by saying every member of the Ansearch team remained absolutely focused on continued cost management and maintaining the Company's growth trajectory.

## **Capital Management and Outlook**

Chairman Andrew Barlow also commented on the Company's **successful small capital raising program**, which was completed during the December quarter, and ensuing **reorganisation of capital**.

Aimed at raising funds to expand the Company's three operating divisions, the capital raising allows Ansearch to move forward with a range of initiatives including the Searchworld US expansion that is showing such great returns.

Following approval by shareholders at the Company's annual general meeting (AGM) held in November 2008, Ansearch undertook a reorganisation of capital in December, whereby the securities of the Company were consolidated in the ratio of five to one.

Shareholders also approved at the AGM plans to **change the business's name to Webfirm Group Limited**. As part of the rebranding process, Ansearch Media will become Webfirm Media and the Searchworld name will remain unchanged.

Mr Barlow said: "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 transition will commence next month. The Company will continue to keep the market advised as these changes come into effect.

Mr Barlow concluded: "This has been a watershed quarter for the 'new Ansearch' and an excellent indication of the Company's direction in 2009.

"Despite challenging market conditions, we have positive momentum and look forward to the Group's continued expansion."

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#### **About Ansearch**

Ansearch Limited (ASX: ANH) is a full service digital media company with a focus on breaking down the barriers between traditional and digital media to generate more leads, more customers and more sales. Ansearch's suite of products and services includes its own search and directory websites ([ansearch.com.au](http://ansearch.com.au)/[.com/.nz](http://ansearch.com/nz)/[.uk](http://ansearch.com/uk); [anzwers.com.au](http://anzwers.com.au)) and also distribution of advertising to third-party Australian, US- and UK-based search engines, websites and third party advertising networks. Ansearch's wholly-owned subsidiary Searchworld offers an alternative advertising solution to the major search engines, providing advertisers, publishers and business partners access to a potential market of billions of search queries per month through an auction-based marketplace for 'cost-per-click' (CPC) text advertising solutions. Via the wholly-owned subsidiary Webfirm, Ansearch offers the full spectrum of web design and development services, including search engine marketing, optimisation, hosting, marketing consultancy, e-commerce, permission-based marketing, content management tools, and domain name management. Ansearch ranked seventh in the 2008 BRW Fast 100 list of Australia's fastest-growing companies; fifth in the Deloitte Technology Fast 50 2008 list of the fastest-growing Australian technology companies; and among the top 100 companies listed in the Deloitte Technology Fast 500 Asia Pacific 2008. With 70 staff across Melbourne, Sydney, Perth and in the United States of America, Ansearch continues to develop products and services aimed at helping customers do better business online. More information at <http://corporate.ansearch.com>