

The digital media market in which Facilitate Digital operates is by any measure a healthy and fast growing market. Global ad spend within digital media is now worth an estimated AUD \$28B per annum and is expected to grow to in excess of \$48B per annum in calendar year 2009.

The Australian market alone is worth over \$1B a year and is growing at a rate of 40% year on year, with 10% of total media spend already exceeding that of radio. Similar trends are emerging around the world, as global digital ad spend forecasts are set to exceed radio by 2008.

The large, sophisticated markets such as United States, United Kingdom and Europe are the most significant contributors in terms both market size and growth profile. In the UK in particular, digital media now accounts for 13.5% of total ad spend, and is expected to reach 21.5% by 2009. Currently the UK half yearly figures show a market value of AUD \$3.3B and will approach AUD \$7B for the full 2007 calendar year.

This same growth profile can be seen in Europe, with forecasts to grow from the 2006 figure of AUD \$12B to nearly AUD \$26B in 2012.

Both the UK and Europe markets present to be highly lucrative for the group as we focus on establishing strong growth operations in these regions.

As marketers and advertisers continue to embrace the innovation and accountability of the digital opportunity, fragmentation of communication channels and audiences will further increase the complexity of planning and executing marketing campaigns. This complexity is already creating issues for advertisers and their agency partners, large scale inefficiencies and scaling costs arising as a result.

Technology based toolsets that automate workflow and integrate information have become essential for industry to grow and profitably. With a purpose built software platform designed specifically to address these very issues, this dynamic sees Facilitate Digital positioned extremely well for strong, sustained growth over the next several years.

Having already acquired a dominant market share in the advertiser vertical in Australia, over the calendar year 2008 the business has invested significant planning, resource and capital to establish a global operation encompassing the high value, high growth markets of UK, Europe and Asia.

As of November 2007, Facilitate Digital's footprint extends into New Zealand, Singapore, Europe and UK, with sales and client service teams established in each region and three technology hubs installed around the globe to service international clients. In October 2007 we completed the worldwide release of *FacilitateOne* – a first in digital marketing integration technology platform – to emphatic endorsement in all markets.

This investment in infrastructure, superior product and new markets will underwrite forecast growth rates over the next two years, and provides a robust framework from which to compete aggressively.

Industry consolidation of the last 12 months will likely continue, of particular note the acquisition of competitors DoubleClick and aQuantive by Google and Microsoft respectively.

These competitors account for well in excess of 50% of global market share. Now under the ownership of media organisations, the neutrality and independence they once

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offered is being scrutinised by the industry at large. This scrutiny in turn presents significant and present opportunity to engage with large clients in multiple markets, an opportunity on which we remain focused.

Advertising and direct marketing via wireless devices such as mobile phones is an extremely high growth sector, and one in which the group is well positioned to establish an equally high growth revenue stream.

Via the acquisition of Impact Data earlier this year, we are now able to offer advertisers and direct marketers a range of mobile marketing technology solutions from advertising placement to SMS, sales promotion and competitions. This further strengthens our growth prospects as existing clients look to consolidate suppliers, and presents us with product innovation opportunities to attract new business.

The synergies between Facilitate Digital and Impact Data are considerably stronger than first expected. Shared product and sales initiatives remain our initial focus; substantial cross selling potential is already established. This will grow as we integrate the respective product platforms as our core vision remains unchanged – to provide marketers with a single integrated technology solution that manages all facets of their digital advertising and direct marketing.

Our revenue and earnings growth forecasts are equally strong. The FY08 year is expected to deliver revenue growth in excess of 300%, FY09 forecast for triple digit growth to realise revenue of AUD \$23.4M and NPBT of \$8.0, an increase of over 500% versus FY08, and a net profit margin of 33%. As revenue scales beyond this net profit margin will further improve.

FY09 will see a full year of revenue contribution from UK market, a key driver of growing revenue, net profits and margins, as the group transitions to deriving approximately 50% of revenues from outside of Australia by FY10.

In addition, our presence in Asia ensures we are well positioned to explore opportunities within, the single highest growth region in the world. Large emerging markets such as China and South Korea are of particular interest and are being observed closely to determine best case scenarios under which we may engage.

The last 12 months have been pivotal to positioning the group for the global opportunity. Having successfully achieved an ASX listing, broadened our capability via the Impact Data acquisition, appointed a world class management team, rolled out global infrastructure, established sales operations in key offshore markets and launched a market leading integrated software platform, the future growth prospects and profitability of the business is secure.