Webfirm Group Limited ABN 70 001 287 510
and controlled entities

Half-Year Financial Report
31 December 2010

Lodged with the ASX under Listing Rule 4.2A

Contents	**Page**

The half-year financial report does not include full disclosures of the type normally included in an Annual Financial Report. Accordingly, this financial report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2010 and any public announcements made by Webfirm Group Limited during the interim reporting period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

HALF-YEAR INFORMATION – 31 DECEMBER 2010
APPENDIX 4D (Rule 4.2A.3)
RESULTS FOR ANNOUNCEMENT TO THE MARKET

The Group has increased its loss for the 31 December 2010 half-year as a result of incurring the start-up costs of its new Adslot division.

Please refer to the Directors' report for additional information relating to the results for the period.

	December 2010	**December 2009**	**Movement**	
	$	**$**	**$**	**%**
Total revenue from continuing operations	**2,834,075**	2,793,062	41,013	1%
Net loss attributable to members of the parent entity after tax	**(3,446,869)**	(1,166,883)	(2,279,986)	(195%)
Net loss attributable to members of the parent entity	**(3,446,869)**	(1,166,883)	(2,279,986)	(195%)

Dividends

The Company has not proposed or declared to pay dividends.

Earnings Per Share	**31-Dec-2010**	**31-Dec-2009**
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	**567,637,279**	180,485,503
Basic loss per share (cents)	**(0.61)**	(0.65)
Diluted loss per share (cents)	**(0.61)**	(0.65)

Net Tangible Assets per share	**31-Dec-2010**	**30-Jun-2010**
Number of ordinary shares on issue used in the calculation of net tangible assets per share	**679,878,900**	491,821,809
Net tangible assets per share (cents)	**2.93**	0.69

Audit

The Half-Year Financial Report has been subject to review by BDO Audit (NSW-VIC) Pty Ltd and is not subject to dispute or qualification.

Directors' Report

Your Directors submit the financial report of the Company and it controlled entities ("the Group") for the half-year ended 31 December 2010.

Directors

The names of Directors who held office during or since the end of the half-year:

Mr Adrian Giles:	Executive Chairman
Mr David Burden:	Managing Director and CEO
Mr Adrian Vanzyl:	Non-Executive Director
Mr Anthony Du Preez:	Executive Director
Mr Andrew Barlow:	Non-Executive Director
Mr Chris Morris:	Non-Executive Director (appointed 20 September 2010)

Result of Operations

The net loss of the Group after providing for income tax for the half-year ended 31 December 2010 amounted to $3,446,869 (31 December 2009: $1,166,883 loss).

Dividends

The Directors do not recommend the declaration of a dividend. No dividend has been declared or paid during the half-year.

Review of Operations

The half-year to 31 December 2010 saw the continued evolution of the Group with the acquisition of three businesses being Adimise, Full Circle and QDC all of which have been incorporated into our Adslot division which was acquired in February 2010. We also sold our AdFeedEngine intellectual property from our Webfirm division.

We undertook capital raisings of $20 million in the half to provide the Company with the necessary funds to enable the international expansion of the Adslot business, strategic investments and acquisitions where appropriate, and for general working capital.

As previously disclosed the Adslot business builds and operates large scale 'private electronic marketplaces' for media publishers to sell premium advertising inventory to advertisers by providing patented advertising sales automation services that reduce selling costs and increase premium advertising revenue. Adslot provides its clients with the opportunity to participate in the global online advertising market which currently turns over US$420 billion. Adslot's initial products have been aimed at the A$433 million Australian classifieds industry to prove out the technology and business model.

At the beginning of the FY2011 we announced our goals for the year to be to secure two classified publishers in the first half and to develop the Adslot Direct Platform in the second half. We successfully achieved our first half goals announcing our first two clients, Realestate.com.au and Carsales.com.au. Development of the direct platform continues during the second half as well as a strong push of the Adslot business internationally.

The Webfirm division completed its exit from search advertising syndication via the sale of its AdFeedEngine product in October. It now focuses on online marketing services including web site development, hosting, search optimisation and social marketing services. During the half the division has implemented a number of cost savings initiatives to align its cost structure to its revenue base. This has lead to a lower half-year result but provides a better base to drive profitability in this division.

During the half we appointed an additional independent non-executive director, Mr Chris Morris to the board.

Directors' Report (continued)

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2010 under Section 307C of the *Corporations Act 2001* is set out on page 20.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors.

Executive Chairman:
Adrian Giles

Melbourne
Dated this 25th day of February, 2011

Consolidated Statement of Comprehensive Income
For the Half-Year Ended 31 December 2010

	Note	31-Dec-2010	31-Dec-2009
		$	$
Total revenue from continuing operations	3	**2,834,075**	2,793,062
Other income	3	**126,596**	1,641
Website publishers & related costs	4	**(901,284)**	286,065
Depreciation and amortisation expenses	4	**(779,108)**	(112,554)
Salaries and employment related costs		**(2,676,661)**	(2,858,577)
Telephone and internet		**(87,442)**	(80,904)
Share based payment expense		**(529,239)**	(28,639)
Marketing costs		**(70,939)**	(54,523)
Lease - rental premises		**(164,311)**	(170,491)
Impairment of trade receivables		**(169,660)**	(231,563)
Listing & registrar fees		**(173,455)**	(79,720)
Legal fees		**(246,022)**	(221,222)
Travel expenses		**(176,233)**	(130,567)
Audit and accountancy fees		**(69,566)**	(90,830)
Finance costs		**(34)**	-
Other expenses		**(363,066)**	(187,541)
Loss before income tax	4	**(3,446,349)**	(1,166,363)
Income tax expense		**(520)**	(520)
Loss after income tax expense		**(3,446,869)**	(1,166,883)
Net loss attributable to members of Webfirm Group Limited		**(3,446,869)**	(1,166,883)
Other comprehensive income			
Foreign exchange translation		**(35,883)**	(7,263)
Total other comprehensive income attributable to members of Webfirm Group Limited		**(35,883)**	(7,263)
Total comprehensive loss for the half-year		**(3,482,752)**	(1,174,146)
Earnings per share			
Basic loss per share (cents)		**(0.61)**	(0.65)
Diluted loss per share (cents)		**(0.61)**	(0.65)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2010

	Note	31-Dec-2010	30-Jun-2010
		$	$
CURRENT ASSETS			
Cash and cash equivalents		**20,602,782**	3,807,779
Trade and other receivables		**1,714,668**	1,739,976
Total current assets		**22,317,450**	5,547,755
NON-CURRENT ASSETS			
Trade and other receivables		**200,000**	200,000
Property, plant and equipment		**159,766**	129,133
Intangible assets		**14,522,041**	8,409,435
Total non-current assets		**14,881,807**	8,738,568
TOTAL ASSETS		**37,199,257**	14,286,323
CURRENT LIABILITIES			
Trade and other payables		**1,533,004**	1,146,296
Other liabilities		**978,727**	1,175,912
Provisions		**136,154**	124,197
Total current liabilities		**2,647,885**	2,446,405
NON-CURRENT LIABILITIES			
Provisions		**110,130**	12,692
Total non-current liabilities		**110,130**	12,692
TOTAL LIABILITIES		**2,758,015**	2,459,097
NET ASSETS		**34,441,242**	11,827,226
EQUITY			
Issued capital		**76,441,556**	50,874,027
Reserves		**5,394,786**	4,901,430
Accumulated losses		**(47,395,100)**	(43,948,231)
TOTAL EQUITY		**34,441,242**	11,827,226

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2010

31 December 2010

	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2010		50,874,027	4,901,430	(43,948,231)	11,827,226
Movement in foreign exchange translation reserve		-	(35,883)	-	(35,883)
Other comprehensive income		-	(35,883)	-	(35,883)
Loss attributable to members of the company		-	-	(3,446,869)	(3,446,869)
Total comprehensive income		**-**	**(35,883)**	**(3,446,869)**	**(3,482,752)**
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs		25,567,529	-	-	25,567,529
Increase in employees share based payments reserve		-	529,239	-	529,239
		25,567,529	529,239	-	26,096,768
Balance 31 December 2010		**76,441,556**	**5,394,786**	**(47,395,100)**	**34,441,242**

31 December 2009

	Notes	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2009		37,358,173	3,975,503	(39,729,630)	1,604,046
Movement in foreign exchange translation reserve		-	(7,263)	-	(7,263)
Other comprehensive income		-	(7,263)	-	(7,263)
Loss attributable to members of the company		-	-	(1,166,883)	(1,166,883)
Total comprehensive income		**-**	**(7,263)**	**(1,166,883)**	**(1,174,146)**
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transactions costs		3,447,387	-	-	3,447,387
Increase in employees share based payments reserve		-	28,639	-	28,639
		3,447,387	28,639	-	3,476,026
Balance 31 December 2009		**40,805,560**	**3,996,879**	**(40,896,513)**	**3,905,926**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2010

	Note	31-Dec-2010	31-Dec-2009
		$	$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**2,808,013**	3,899,415
Interest received		**316,438**	29,709
Government grants and other receipts		**53,900**	1,641
Payments to suppliers and employees (inclusive of GST)		**(5,072,481)**	(5,820,615)
Interest paid		**(34)**	-
Net cash outflows from operating activities		**(1,894,164)**	(1,889,850)
Cash flows from investing activities			
Payments for property, plant and equipment		**(60,115)**	(47,907)
Proceeds from sale of non-current assets		**72,696**	-
Payment for acquisition of subsidiary, net of cash acquired	**6**	**(693,474)**	(129,015)
Issue of convertible note		**(100,000)**	-
Net cash outflows from investing activities		**(780,893)**	(176,922)
Cash flows from financing activities			
Net proceeds from issue of shares		**19,505,943**	3,447,387
Net cash inflows from financing activities		**19,505,943**	3,447,387
Net increase in cash held		**16,830,886**	1,380,615
Cash at the beginning of the half-year		**3,807,779**	695,376
Effect of exchange rate changes on cash		**(35,883)**	(7,263)
Cash at the end of the half-year		**20,602,782**	2,068,728

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Half-Year ended 31 December 2010

Note 1: Basis of preparation of half-year financial report

This general purpose financial report for the half-year ended 31 December 2010 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2010 and any public announcements made by Webfirm Group Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

a) Reporting Bases and Conventions

The half-year consolidated financial statements have been prepared on an accruals basis and are based upon historical costs. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the group's annual financial report for the year ended 30 June 2010. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Notes to the Financial Statements for the Half-Year ended 31 December 2010 (Continued)

Note 2: Segment Information

Primary Reporting – Business Segments
Half-year ended 31 December 2010

	Adslot	Webfirm	Total
	$	$	$
External sales	**515,391**	**2,002,246**	**2,517,637**
Segment result from continuing operations	**(2,227,427)**	**(1,350,790)**	**(3,578,217)**
Depreciation	**4,569**	**22,543**	**27,112**
Amortisation	**702,367**	**37,014**	**739,381**
Additions to non-current assets	**13,515**	**12,951**	**26,466**
Impairment of intangibles	**-**	**-**	**-**
Balance Sheet 31 December 2010			
Segment assets	**18,831,833**	**2,542,417**	**21,374,250**
Segment liabilities	**(13,504,314)**	**(1,749,410)**	**(15,253,724)**

Half-year ended 31 December 2009

	Adslot	Webfirm	Total
	$	$	$
Revenue			
External sales	-	2,763,353	2,763,353
Segment result from continuing operations	-	(416,711)	(416,711)
Depreciation	-	48,997	48,997
Amortisation	-	41,780	41,780
Additions to non-current assets	-	37,638	37,638
Impairment of intangibles	-	-	-
Balance Sheet 30 June 2010			
Segment assets	5,663,447	3,065,511	8,728,958
Segment liabilities	(6,009,633)	(1,996,803)	(8,006,436)

Notes to the Financial Statements for the Half-Year ended 31 December 2010 (Continued)

Note 2: Segment Information (continued)

Segment revenue reconciles to total revenue from continuing operations as follows:

	31-Dec-2010	31-Dec-2009
	$	$
Total segment revenue	**2,517,637**	2,763,353
Interest revenue	**316,438**	29,709
Total revenue from continuing operations	**2,834,075**	2,793,062

A reconciliation of adjusted segment result to operating profit before income tax is provided as follows:

	31-Dec-2010	31-Dec-2009
	$	$
Total segment result	**(3,578,217)**	(416,711)
Interest revenue	**316,438**	29,709
Other income	**53,900**	1,640
Depreciation of corporate assets	**(11,019)**	(21,777)
Amortisation of corporate assets	**(1,596)**	-
Interest expenses	**(34)**	41
Impairment of intangibles	**-**	-
Share option expenses	**(529,239)**	(28,639)
Other head office income/(expenses)	**303,418**	(730,626)
Loss before tax from continuing operations	**(3,446,349)**	(1,166,363)

Reportable segment assets are reconciled to total assets as follows:

	31-Dec-2010	30-Jun-2010
	$	$
Total segment assets	**21,374,250**	8,728,958
Head office assets	**35,179,191**	11,656,003
Intersegment eliminations	**(19,354,184)**	(6,098,638)
Total assets per the statement of financial position	**37,199,257**	14,286,323

Notes to the Financial Statements for the Half-Year ended 31 December 2010 (Continued)

Note 2: Segment Information (continued)

Reportable segment liabilities are reconciled to total liabilities as follows:

	31-Dec-2010	30-Jun-2010
	$	$
Total segment liabilities	**(15,253,724)**	(8,006,436)
Head office liabilities	**(389,291)**	(452,661)
Intersegment eliminations	**12,885,000**	6,000,000
Total liabilities per the statement of financial position	**(2,758,015)**	(2,459,097)

Note 3: Revenue Information

	31-Dec-2010	31-Dec-2009
	$	$
Revenue		
Service income	**2,517,637**	2,763,353
Interest revenue	**316,438**	29,709
Total revenue from continuing operations	**2,834,075**	2,793,062
Other income		
Government grants	**53,900**	-
Sundry income	**-**	1,641
Gain on disposal of non-current assets (i)	**72,696**	-
	126,596	1,641

(i) Disposal of AdFeedEngine

During the half-year, the AdFeedEngine was disposed of for cash consideration plus an earn out agreement based on future income earned by the purchaser from the asset. The net gain on the disposal was $71,787 which is representative of the difference between the fair value of the total consideration and the carrying value of the intangible asset. The directors have estimated that fair value of the earn out agreement to be $161,003.

Notes to the Financial Statements for the Half-Year ended 31 December 2010 (Continued)

Note 4: Expenses

Loss before income tax includes the following specific expenses:

	31-Dec-2010 $	31-Dec-2009 $
Website publishers & related costs	**901,284**	(286,065)
Depreciation of plant and equipment	**38,131**	70,774
Amortisation of intangible assets	**740,977**	41,780
Total depreciation and amortisation	**779,108**	112,554
Interest paid to unrelated entities	**34**	-
Impairment of trade receivables	**169,660**	231,563
Rental expenses – operating leases	**164,311**	170,491
Defined contribution superannuation expense	**161,737**	195,251
Loss on disposal of PP&E and leasehold improvements	**-**	235
Foreign currency loss/(gain)	**35,839**	(64,783)

Included within website publishers & related costs in the 31 December 2009 period are significant credit adjustments resulting from favourable outcomes on a number of commercial disputes which resulted in the Group writing back costs previously provisioned.

Note 5: Equity Securities Issued

Issues of Ordinary Shares during the half-year	31-Dec-2010 $	31-Dec-2009 $
Ordinary Shares issued – value $	**25,567,529**	3,447,387
Ordinary Shares issued – number	**188,057,091**	60,000,000

Notes to the Financial Statements for the Half-Year ended 31 December 2010 (Continued)

Note 6: Business Combinations

Half-Year ended 31 December 2010

Adimise Pty Ltd and Full Circle Online Pty Ltd:

On 8 July 2010 Webfirm Group Limited acquired 100% of the equity of Adimise Pty Ltd and Full Circle Online Pty Ltd. The deal provides Webfirm with Adimise's online adserving technology, key component of Webfirm's new Adslot Direct Platform. The acquisition costs related to this acquisition were $8,932 which has been included in legal fees in the Statement of Comprehensive Income.

The acquired businesses contributed $377,889 in revenue and a net loss of $84,886 to the Group for the period from 8 July 2010 to 31 December 2010. These amounts have been calculated using the Company's accounting policies, and would have been the same had the acquisition occurred on 1 July 2010.

The purchase consideration consists of the following:

	$
Equity – 4,285,714 fully paid ordinary shares @ 11.5 cents per share	492,857
Total consideration paid	492,857

Subject to the achievement of certain post completion sales targets, additional deferred consideration of up to $150,000 can become payable by the Group. No deferred consideration has been provided for as the directors' estimate that it is unlikely these targets will be met within the required time frame.

Details of assets and liabilities acquired are as follows:

	Acquirees' Carrying Amount	Fair Value	
	$	$	$
Purchase consideration			492,857
Fair value of net identifiable assets acquired			
Cash and cash equivalents	106,855	106,855	
Trade and other receivables	197,177	197,177	
Property, plant & equipment	8,425	8,425	
Payables	(333,197)	(333,197)	
Employee benefits	(6,643)	(6,643)	
Intangible assets (including formation expenses)	16,943	-	
Intellectual property – platform technology	-	271,055	
Goodwill	-	249,185	
Net identifiable assets acquired	(10,440)	492,857	492,857

Notes to the Financial Statements for the Half-Year ended 31 December 2010 (Continued)

Note 6: Business Combinations (continued)

QDC IP Technologies IP Pty Ltd

On 7 December 2010 Adslot Pty Ltd acquired 100% of the equity of QDC IP Technologies Pty Ltd (QDC). QDC's Display Ad Builder and Personalised Video Ad Platform technologies will be combined with Adslot and Adimise technologies to create the new Adslot Direct Platform. The integration of QDC technology with Adslot Direct Platform will allow online publishers to offer an automated end to end advertisement sales system. The acquisition costs related to this acquisition were $75,063 which has been included in legal fees and employment related costs in the Statement of Comprehensive Income.

The acquired businesses contributed no revenue and a net loss of $82,883 to the Group for the period from 7 December 2010 to 31 December 2010. These amounts have been calculated using the Group's accounting policies.

The amount of revenue and losses for the combined entity calculated, had the acquisition occurred on 1 July 2010 would have been $220,534 in revenue and a net profit of $137,604.

The purchase consideration consists of the following:

	$
Cash	801,818
Equity – 29,309,091 fully paid ordinary shares of Webfirm Group Limited @ 19.0 cents per share	5,568,727
Deferred vendor consideration	106,800
Total consideration paid	6,477,345

If at the end of an eighteen (18) month period from the date of acquisition, the total value of consideration paid to the Vendors is calculated to be less than $4.0 million (using a VWAP of the Company's share price over the five (5) trading days prior to that date), then up to a maximum of 13.3 million additional Webfirm Group Limited shares is to be issued as further consideration. The directors have assessed the potential fair value of contingent consideration at acquisition date to be $106,800.

Details of assets and liabilities acquired are as follows:

	Acquirees' Carrying Amount	Fair Value	
	$	$	$
Purchase consideration			6,477,345
Fair value of net identifiable assets acquired			
Cash and cash equivalents	1,513	1,489	
Trade and other receivables	3,073	3,073	
Property, plant & equipment	6,266	6,266	
Intangible assets (including formation expenses)	236,272	-	
Intellectual property – platform technology	-	6,466,517	
Net identifiable assets acquired	247,124	6,477,345	6,477,345

Notwithstanding that the Independent Expert's Report (for the QDC transaction) included an assessment that the fair value of the platform technology could be as high as $7.75 million, having regard to the subjective nature of the valuation for this type of asset, the directors have determined the fair value of intellectual property should not exceed the residual value of $6,466,517. Accordingly the fair value of the platform technology has been determined to be $6,466,517.

Notes to the Financial Statements for the Half-Year ended 31 December 2010 (Continued)

Note 6: Business Combinations (continued)

Half-Year ended 31 December 2009

There were no business combinations for the half-year ended 31 December 2009.

Note 7: Contingencies

Other than the contingent consideration on business acquisitions in Note 6, there are no contingencies to be disclosed in the financial statements.

Note 8: Events subsequent to reporting date

There have been no events subsequent to the reporting date that have a significant impact on the financial statements or are expected to have a significant impact on future financial statements.

Directors' Declaration

In the Directors' opinion:

(a) The financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:

i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Webfirm Group 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 Directors.

Adrian Giles
Chairman

Melbourne
Dated this 25th day of February, 2011

BDO

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Webfirm Group Limited

We have reviewed the accompanying half-year financial report of Webfirm Group Limited, which comprises the statement of financial position 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, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report 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* and the *Corporations Regulations 2001*. As the auditor of Webfirm Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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 confirm that the independence declaration required by the *Corporations Act 2001* was given to the directors at the time of this auditor's 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 half-year financial report of Webfirm Group Limited is not in accordance with the *Corporations Act 2001* including:

(a) 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

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO

BDO Audit (NSW-VIC) Pty Ltd
Chartered Accountants

Michael Climpson
Director

Melbourne, Victoria

Dated this 25th day of February 2011

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The Board of Directors
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DECLARATION OF INDEPENDENCE BY MICHAEL CLIMPSON TO THE DIRECTORS OF WEBFIRM GROUP LIMITED

As lead auditor for the review of Webfirm Group Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Webfirm Group Limited and the entities it controlled during the period.

Michael Climpson
Director

BDO Audit (NSW-VIC) Pty Ltd
Charted Accountants

Melbourne, Victoria

Dated this 25th day of February 2011