

## CYBERPLEX REPORTS RECORD FOURTH QUARTER AND 2008 RESULTS

Thursday, March 19, 2009

### **Earnings per share of 11 cents with a record 9th consecutive quarter of revenue growth**

TORONTO, Thursday, March 19 2009/CNW/- Cyberplex Inc. (TSX:CX) a leader in online performance-based advertising solutions, customer acquisition strategies and technology development, today announced its financial results for the fiscal year-ended and fourth quarter-ended December 31, 2008. Total revenue for the year was \$57.3 million an increase of 225% over the \$17.7 million reported for 2007. Total revenue for the fourth quarter ended December 31, 2008 was \$28.9 million, an increase of 429% over the \$5.5 million reported for fourth quarter of 2007. By all accounts, this has been the best quarter ever for the Company.

### **2008 Operational Highlights**

- Performance-based Web Advertising division grew by over 300% to \$52.2 million in revenue
- Earnings before amortization, interest and income taxes for 2008 were over \$6.3 million
- Cash, cash equivalents, and short-term investments net of bank indebtedness totaled \$1.8 million as at December 31, 2008

Cyberplex has continued to thrive and deliver excellent results with its performance-based advertising model, despite the difficult global economic conditions. As advertisers continue to look for online alternatives for their advertising budgets, performance-based models are increasingly resonating with direct marketers, online retailers and other advertisers focusing on customer acquisition strategies. Other operational highlights during the year include:

- Selected to create and deliver online strategies for the Globe and Mail, one of Canada's leading brands
- Launched industry-leading enhancements to the optimization, conversion and analytical features available to advertisers and affiliates in the CX Digital Media affiliate network
- Strengthened the balance sheet by closing a \$5.0 million private placement in February, 2008
- Increased operating line with the Royal Bank from \$5.0 million to \$7.1 million in December, 2008
- Ranked by Canadian Business Magazine as one of the Top 100 Technology Companies in Canada

## **Results for the Year Ended December 31, 2008**

All unaudited amounts in this news release are in Canadian dollars unless otherwise noted.

- The Company generated revenue of \$57.3 million, an increase of 225% compared to \$17.7 million generated in 2007
- Web Advertising revenue increased over 300% yearly and grew sequentially on a quarter over quarter basis
- Revenue from technology services increased by 7%
- Total number of advertising campaigns increased by 200% over the course of the year

Gross margin for the year ended December 31, 2008 was 35%, as compared to 40% for the same period last year. Gross margin for the Web Advertising and Technology Services was 34% and 39% respectively.

Income for the year ended December 31, 2008 was \$5.8 million compared to a loss of \$1.1 million in 2007.

The largest three clients in 2008 accounted for approximately 28% of revenue, compared with 24% last year. There was one client that exceeded 10% of total revenue and the top 10 clients accounted for just over 47% of revenue whereas in the previous year, the top 10 clients accounted for over 43% of revenue.

"We performed exceptionally well throughout 2008 and continue to believe that our focus on 'pay for performance' is a powerful alternative to historical online advertising pricing models, especially during these tough market conditions," said Geoffrey Rotstein, President and Chief Executive Officer of Cyberplex.

"On behalf of the board and shareholders, I would like to congratulate the management team and everyone at Cyberplex, for delivering an outstanding fourth quarter and 2008," said Vernon Lobo, Chairman of Cyberplex. "To have grown so fast during stable economic times would have been an incredible accomplishment. The fact that this kind of growth and profitability was achieved during one of the toughest macroeconomic environments in several decades, is a testament to the underlying demand in the market for performance-based advertising solutions, the scalability of the business model, and the capabilities of the management team."

## **Results for the Fourth Quarter of 2008**

Fourth quarter revenue of \$28.9 million was an increase of 162% over the \$11.0 million generated in the previous quarter. This growth resulted primarily from the Web Advertising division and the addition of new publishers, the increase in campaign budgets and the continued momentum of proprietary publishing initiatives. Income

before amortization, interest and income taxes for the quarter increased to \$5.0 million, up from \$753,000 in the third quarter 2008.

Gross margin for the quarter was consistent with the 34% realized in the previous quarter. The margin in the Web Advertising division remained stable while the margin from the Technology Services business increased to 54%.

The Company was able to increase its credit facility with the Royal Bank during the quarter from \$5.0 million to \$7.1 million. "By securing this increased amount, from one of Canada's leading financial institutions, we have further solidified our capital objectives to ensure sufficient liquidity to support our strategy of continued aggressive organic growth and strategic acquisitions" said Isaac Osiel, CFO, Cyberplex.

### **Outlook**

"Looking ahead to 2009, the movement of advertising dollars from off-line traditional media to online web-based platforms is expected to more than double and we believe that we are well positioned to capitalize on this trend. In addition, we believe our niche within the online segment - delivering on a performance basis - will gain even greater traction and push our strategy ahead even further. Although business conditions in North America have been difficult and are predicted to remain difficult throughout 2009, and no company, regardless of industry, should feel as though they are insulated from these difficult conditions, we are confident in our business model and our ability to execute on our plans. We are excited about the opportunities that we see ahead of us," concluded Geoffrey Rotstein.

### **Conference Call Details**

In conjunction with the release, Cyberplex will host a conference call on Thursday, March 19, 2009 at 4:30 p.m. EST to discuss the financial results. To access the call, please dial 1-888-892-3255. Please call five minutes prior to the call. A replay of the conference call will be available as of 12:00 a.m. the same day, until midnight March 26, 2009. To access the replay dial 1-800-937-6305 followed by the passcode 685727.

### **About Cyberplex**

Cyberplex Inc. ([www.cyberplex.com](http://www.cyberplex.com)) is a leader in providing web advertising solutions, online customer acquisition strategies and technology development. The Company, through its subsidiaries, leverages its proprietary affiliate network, robust advertising relationships and experience, along with technology design, development and solutions specialists to develop and implement web-based programs and solutions that have a proven record in delivering results.

With over 14 years of experience serving Fortune 1000 clients including FTD, Xerox, Sony Canada, IAC, Atlantic Lottery Corporation, Vista Print, Aecon, Ontario Power Generation, Scotia Bank and the Royal Bank of Canada, Cyberplex is frequently the firm

of choice for business leaders looking for effective and reliable online solutions. Cyberplex serves clients across Canada and the US and is headquartered in Toronto, Canada.

### **Forward-Looking Statements**

This news release may contain forward-looking statements that are based on management's current expectations and are subject to known and unknown uncertainties and risks, which could cause actual results to differ materially from those contemplated or implied by such forward-looking statements.

Cyberplex is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

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