



Cyberplex Reports First Quarter 2013 Results

TORONTO, ON --(Marketwire – May 15, 2013)- Cyberplex Inc. (TSX: CX) a leader in targeted mobile, social and online advertising, today announced its financial results for the first quarter ended March 31, 2013. The Company reported that first quarter financial results were within the range of guidance provided on May 3, 2013. Total revenue from continuing operations for the quarter was \$1.6 million, a decrease from the \$3.5 million recorded in the same quarter of 2012, and adjusted EBITDA loss for the quarter was approximately \$979,000 as compared to a loss of \$802,000 in the same period of 2012.

Highlights for the first Quarter ended March 31, 2013

- At March 31, the Company had cash on hand of \$4.7 million and no debt
- The Company transitioned away from its legacy technology development practice, reallocating resources to completing its core mobile and video real-time advertising platforms
- Social media targeting capabilities were significantly enhanced with the launch of social influence targeting, an industry first

“As reported earlier this month, our focus is now in line with our strength and what advertisers are demanding”, said Geoffrey Rotstein, President and CEO. “Targeted advertising customer acquisition is where we are competing well in the market today and where we are investing for the future. Although the change in focus has generated lower first quarter results, we are confident that the momentum we now have with agencies and large brands will be reflected in the coming quarters”, added Rotstein. “2013 will be a milestone year for our organization, as we firmly establish ourselves as an innovator in the Canadian advertising and media industry.”

Non-IFRS Financial Measures

This press release includes a discussion of "Adjusted EBITDA," which is a non-IFRS financial measure. The Company defines Adjusted EBITDA as net loss from operations before; (a) depreciation of property and equipment and amortization of domain properties and other intangibles; (b) share-based payments, (c) restructuring and acquisition costs, (d) impairments of goodwill and intangible assets and other items, net. Management uses Adjusted EBITDA as a measure of the Company's operating performance because it provides information related to the Company's ability to provide operating cash flows for acquisitions, capital expenditures and working capital requirements. The Company also believes that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in its industry.

The non-IFRS financial measure is used in addition to and in conjunction with results presented in accordance with the Company's consolidated financial statements prepared in accordance with IFRS and should not be relied upon to the exclusion of IFRS financial measures. Management strongly encourages investors to review the Company's consolidated financial statements in their entirety and to not rely on any single financial measure. Because non-IFRS financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-IFRS financial measures having the same or similar names. In addition, the Company expects to continue to incur expenses similar to the non-IFRS adjustments described above, and exclusion of these items

Cyberplex Inc.
Unaudited Interim Condensed Consolidated Statements of Financial Position
(In thousands of Canadian dollars)
March 31, 2013 and December 31, 2012

March 31, 2013 December 31, 2012

Assets

Current assets:			
Cash and cash equivalents	\$	4,684	\$ 5,419
Accounts receivable		1,451	2,425
Other current assets		256	303
Income taxes recoverable		40	40
		<u>6,431</u>	<u>8,187</u>
Non-current assets:			
Investment		50	50
Property and equipment		445	460
Domain properties and other intangible assets		2,665	2,889
Goodwill		364	357
		<u>3,524</u>	<u>3,756</u>
Total assets	\$	9,955	\$ 11,943

Liabilities and Shareholders' Equity

Current liabilities:			
Accounts payable and accrued liabilities	\$	1,932	\$ 2,703
Deferred lease inducement		41	41
Finance leases		159	155
Deferred revenue		603	549
		<u>2,735</u>	<u>3,448</u>
Non-current liabilities:			
Finance Leases		145	186
Deferred lease inducement		3	14
Deferred tax liabilities		177	244
		<u>325</u>	<u>444</u>
Shareholders' Equity		6,895	8,051
Total liabilities and Shareholders' equity	\$	9,955	\$ 11,943

Cyberplex Inc.
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per share amounts)
Three months ended March 31, 2013 and 2012

	2013	2012
Revenue	\$ 1,637	\$ 3,532
Expenses:		
Publishing and advertising costs	836	1,980
Employee compensation and benefits	1,036	1,459
Other operating expenses	728	906
Depreciation of property and equipment	75	85
Amortization of domain properties and other intangible assets	283	276
	<u>2,958</u>	<u>4,706</u>
Loss from operations	(1,321)	(1,174)
Finance income	15	3
Finance cost	(117)	(34)
Loss before income taxes	(1,423)	(1,205)
Deferred income tax recovery	65	55
Loss for the period from continuing operations	(1,358)	(1,150)
Discontinued Operation:		
Loss for the period from discontinued operation, net of tax	-	(2,248)
Loss for the period	(1,358)	(3,398)
Other comprehensive income (loss):		
Foreign currency translation adjustments to equity	181	(101)
Other comprehensive income (loss) for the period, net of tax	181	(101)
Total comprehensive loss for the period	\$ (1,177)	\$ (3,499)
Loss per share:		
Basic	(0.01) \$	(0.03)
Diluted	(0.01) \$	(0.03)
Loss per share from continuing operations:		
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

Cyberplex Inc.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)
Three months ended March 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Loss for the period	\$ (1,358)	\$ (3,398)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation of property and equipment	75	301
Amortization of domain properties and other intangible assets	283	2,008
Amortization of deferred lease inducement	(11)	(29)
Share-based payments	21	4
Foreign exchange loss (gain)	96	(3)
Finance cost, net	109	526
Deferred income tax recovery	(65)	(55)
Restructuring costs	-	221
Change in non-cash operating working capital	292	(2,814)
Cash used in operating activities	(558)	(3,239)
Income taxes received	-	31
Net cash used in operating activities	(558)	(3,208)
Cash flows from financing activities:		
Proceeds from bank operating facility	-	625
Repayment of finance lease	(37)	(16)
Interest paid	(8)	(72)
Net cash from (used in) financing activities	(45)	537
Cash flows from investing activities:		
Interest income received	15	3
Decrease in cash and short-term investments	-	40
Additions to property and equipment	(51)	(165)
Net cash used in investing activities	(36)	(122)
Foreign exchange gain (loss) on cash held in foreign currency	(96)	3
Decrease in cash and cash equivalents	(735)	(2,790)
Cash and cash equivalents, beginning of period	5,419	4,050
Cash and cash equivalents, end of period	\$ 4,684	\$ 1,260