

CEO
CFO

CXO

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With Online Advertising Growing At An Aggressive Pace, Cyberplex Is In The Right Place At The Right Time With Their Performance Based Online Advertising Solutions

Business Services
Consulting
(CX-TSX)

Cyberplex Inc.

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Geoffrey Rotstein
President and CEO

BIO: of Geoffrey Rotstein

Geoffrey Rotstein, President and Chief Executive Officer of Cyberplex, is responsible for defining and implementing the Company's overall corporate strategy, overseeing new business initiatives, and negotiating corporate acquisitions and business partner alliances. Mr. Rotstein is closely involved in Cyberplex' Investor relations program and maintains close interaction with shareholders, investment advisors and analysts.

Mr. Rotstein has been President and Chief Executive Officer of Cyberplex since 2006. Over the course of 4 years, he has expanded Cyberplex' divisions and

service offerings; resulting in Cyberplex being an industry leader in performance based online marketing and social media applications.

Prior to his position as Chief Executive Officer, Mr. Rotstein spent 8 years as the Chief Financial Officer of Cyberplex and was responsible for developing and implementing financial controls, budgets and management policies as well as overseeing all of the financial and regulatory reporting requirements.

Before joining Cyberplex, Mr. Rotstein spent five years at Coopers and Lybrand, working in General Practice and Financial and Advisory Services. While at Coopers and Lybrand, he was involved with the auditing, accounting, reporting and various corporate finance requirements for his clients. Mr. Rotstein serves as a Director for a number of public companies, earned his CA designation in 1993 and holds an MBA from York University.

Company Profile:

Cyberplex Inc. (TSX: CX) is a leader in performance based web advertising solutions, online customer acquisition strategies and technology development. The Company, through its subsidiaries, leverages a proprietary affiliate network, robust advertising relationships and experience, along with technology design, development and solutions specialists to build and implement web-based initiatives that deliver results.

With over 14 years of experience serving Fortune 1000 clients including FTD, Xerox, Sony Canada, IAC, Globe and Mail, Atlantic Lottery Corporation, Vista Print, Aecon, Ontario Power Generation and the Royal Bank of Canada; Cyber-

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

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Rotstein, how has Cyberplex changed under your leadership?

Mr. Rotstein: "Since 2006, the focus of Cyberplex has been to provide our clients with the best and most efficient form of online advertising solutions and strategies. All of our technology solutions, sales initiatives, internal development efforts and R&D investments have focused on building and providing an industry leading performance based online advertising platform. So basically, the focus of the company has changed significantly from our historical business of high end consulting and strategy to more of an interactive and advertising model which helps companies acquire customers and provides lead generation activities."

CEOCFO: What is it that you provide and who are you providing it to?

Mr. Rotstein: "Cyberplex enables companies to promote their products and services on a performance basis. This means that instead of charging clients for the number of impressions or clicks delivered, we charge on a CPA (click per action) basis. We start every discussion with a potential client by asking what they are looking to accomplish by advertising online and by understanding their expectations in terms of ROI, with respect to their advertising dollars. Our focus is all about understanding what it is that an advertiser wishes to accomplish and what it is that we can do to help them build

their business. We then charge them on a revenue model, which they only pay based on what we are able to deliver for them. CPA is very different from traditional advertising metrics and online pricing models in the sense that if we don't deliver a specific action which allows the advertiser to help build their business, we don't charge them and there is basically no risk associated with what they pay for."

CEOCFO: I have seen your client list and there are many recognizable names; what is an example of a project or two, and give us a real feel of what you do that is different.

Mr. Rotstein: "The types of projects that we deliver on behalf of our clients vary from campaign to campaign. However, the one common denominator in all of our campaigns is that we allow companies to advertise online in the most efficient and effective methods possible. We do this because we test all forms of online distribution, including banner ad placements on websites and blogs, to search engine key words, to email distribution, social media and many more to determine what works best for our clients. Our business model allows us to utilize these various forms of distribution to best understand which method is best for any given campaign and then the most attractive feature of our business model is that we only charge our clients when we are successful at delivering their desired result.

Traditional online advertising campaigns are priced based on the number of eyeballs reached or clicks generated, but the CX Digital model is based on results. If we have a client looking for lead generation activities to help build their business, then we will only be compensated when we deliver those leads. If we have another client looking for customers to purchase their products, then we are only compensated when we deliver those sales. As a result, our incentives are directly aligned with those of our clients and the clients are assured of the best return possible for their advertising dollar. So whether its lead generation activities for an American college or flowers for mother's day,

we work to get the appropriate offer to all potential customers and only charge clients when we deliver."

CEOCFO: Would you give us an example of how you are providing the action that they want?

Mr. Rotstein: "The process of working with Cyberplex is quite simple. Our team of account executives work with our clients to determine what actions CX Digital can deliver that will be most impactful to their business - typically lead generation or sales activities - along with any other geographical or demographic restrictions. Once this information is agreed upon, it is loaded into our proprietary technology platform that determines how we can best drive relevant traffic to the campaign. Our network is connected to over 10,000 publishers that drive many

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different forms of traffic and through the use of our proprietary network and our affiliate team, we work to ensure that the most relevant and suitable group become engaged in the campaign. The publishers then work to send traffic through our network and in turn, we work to provide the advertiser with the results they are looking for. The automated system makes it easy to deliver the traffic desired by the advertisers and then to have them only pay when the results are achieved."

CEOCFO: What is the competitive landscape for you?

Mr. Rotstein: "I think the competitive landscape falls into three areas: The first is data. The data that we have compiled over the past number of years has allowed us to understand consumer behavior and current pop culture trends. We are becoming quite good at knowing how to understand and interpret online behavior and which industries and verticals perform best online. As a result, we are able to plan and deliver the best possible campaign for our advertisers in the most effective way. This is an area where there

is definitely competition, but we believe that our history and the enormous amount of data that we have collected over the years position us well for the future.

Second, is our technology platform. Our proprietary technology platform has evolved over the past 5 years and now allows for a seamless entry of advertising campaigns into our network and flawless distribution from the publishers on the back end. We are able to track all of our campaigns in real-time and perform various forms of data analytics. We have a wide variety of tools for optimization, testing and conversion and as a result; the technology has become a hub for our advertisers and publishers since we are able to provide all of these attributes into one platform.

Third is our knowledge of internal distribution. Our ability to control traffic through various teams within our organization, allows us to test and track campaigns as soon as they are launched. With these quick launch and immediate testing capabilities, we are able to develop a very deep understanding of certain campaigns in a very short time frame, which allows us to deliver superior results to our clients. Knowing this information allows us to feed information back to our advertisers and publishers resulting in better and more successful campaigns for everyone."

CEOCFO: How does the human element of your company fit in with the technology?

Mr. Rotstein: "I've never been a big believer that technology by itself results in a huge competitive advantage or enough of a differentiator. Technology is an enabler and it is extremely important, but it is really the understanding and the knowledge that comes out of the technology and the way it is interpreted, analyzed and executed upon it that makes a difference. Our technology platform has reduced the sale cycle with advertisers, allowed publishers to get campaigns up and running quickly and tracks performance extremely well, but the human element plays a crucial role in helping guide the areas we focus on and helping set the

criteria for interpretation that helps push the company to the next level.”

CEOCFO: What is the affect of the current economic environment on Cyberplex?

Mr. Rotstein: “To date, we have been very fortunate in that the current economy has not had a significant impact on our business. Two factors we believe that are currently working in our favor include the shift of advertising dollars from offline to online and the need for marketing budgets to focus predominantly on ROI. The shift of advertising dollars, from traditional offline forms including print, television, billboards, etc to online has benefited CX Digital. Even with reduced advertising budgets, we believe the shift towards online marketing initiatives has insulated companies such as ours over the past number of quarters. In addition, the focus on ROI may even be the result of the difficult economy. Most

organizations are all looking for the best ROI from their marketing dollars in today’s economy and because we focus on a performance, and the cost for action pricing model only charges advertisers when we are successful, clients know they are receiving the maximum ROI for their advertising dollars. Online advertising is still a high growth sector and I believe that the performance based niche of this sector will continue to growth at an ever more accelerated rate.”

CEOCFO: In closing, why should potential investors pay attention to Cyberplex?

Mr. Rotstein: “In these difficult economic times, it is important to understand how companies may be affected by reduced spending, the experience of the management team and the financial performance of the organization. As I mentioned earlier, the performance component of our business model addresses the current need for advertisers to seek out

maximum ROI and has granted us an opportunity to show the strength of our business model even during these difficult times. Our management team has a diverse background but is very experienced in all facets of the online business with most of our senior team having 10 or more years of online experience. This background allows us to have a strong business foundation while being able to stay up to speed with respect to various trends and opportunities. Financial performance has been stellar with the past 9 quarters of excellent growth. Online advertising is still predicted to grow at an aggressive pace even during these difficult times and many analysts predict that by 2012 the online span will still be less than 15% of the total media spent in North America, meaning the upside in this industry is significant. It is an exciting segment to be working in and companies that are able to perform will experience significant upside in the future.”



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