Appendix 4D

Half year report

Name of entity: Photon Group Limited
ABN: 97 091 524 515
Current period: Half-year ended 31 December 2004
Previous corresponding period for Statement of Financial Position: Financial year ended 30 June 2004

2. "Results for announcement to the market".

2.1 Revenue from ordinary activities

<table>
<thead>
<tr>
<th></th>
<th>SA'000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2 Profit from ordinary activities after tax attributable to members</td>
<td>UP 219% to 1,184</td>
</tr>
<tr>
<td>2.3 Net profit from the period attributable to members</td>
<td>UP 219% to 1,184</td>
</tr>
</tbody>
</table>

2.4. The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

<table>
<thead>
<tr>
<th>Dividends (distributions)</th>
<th>Amount per security</th>
<th>Franked amount per security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim dividend</td>
<td>3.0 cents</td>
<td>3.0 cents</td>
</tr>
</tbody>
</table>

2.5 The record date for determining entitlements to the dividends (if any).

| Record date for determining entitlements to the interim dividend | 7 March 2005 |

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

The figures in 2.1 to 2.4 includes the results from the acquisition of a new entity in July 2004, being The Leading Edge Market Research Consultants Pty Limited and its controlled entity, together with the results of entities acquired in the last quarter of the 2004 financial year being, The Bailey Group Pty Limited and its controlled entities, Image Box Pty Limited and The Artel Group Pty Limited and its controlled entities.

+ See chapter 19 for defined terms.
3. Net tangible assets per security with the comparative figure for the previous corresponding period.

<table>
<thead>
<tr>
<th>NTA backing</th>
<th>Current period</th>
<th>Previous corresponding period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net tangible asset backing per ordinary share</td>
<td>(0.63)</td>
<td>(0.20)</td>
</tr>
</tbody>
</table>

4. Details of entities over which control has been gained or lost during the period, including the following.


Note 6 – Acquisition of Controlled Entities

4.3 Where material to an understanding of the report -- the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Revenue from the entities acquired on 1 July 2004 represented up to 25% of the consolidated entity’s revenue for the half-year ended 31 December 2004. Further specific disclosure of the operating revenue of these controlled entities would likely result in unreasonable prejudice to the economic entity.

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.


Note 5 – Dividends

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

At the date of this report, there are no dividend reinvestment plans in operation.

7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity’s percentage holding in each of these entities and — where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

*See chapter 19 for defined terms.*

Note 8 – Associated entities

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

Not applicable

9. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

The Photon Group Limited consolidated Half-Year Financial Report for the half-year ended 31 December 2004 is not subject to audit dispute or qualification.

* See chapter 19 for defined terms.