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ASX/MEDIA RELEASE

PHOTON POSTS RECORD PROFIT AND IS POSITIONED FOR FURTHER GROWTH IN FY2009

- Net Revenue growth of 94% year-on-year to \$376.8 million
- EBITDA growth of 74% year-on-year to \$78.2 million
- Net profit up 33% year-on-year to \$21.7 million
- EPS up 23% year-on-year to 28.6 cents per share
- Adjusted¹ net profit increased 37% year-on-year to \$33.1 million
- Adjusted² EPS up 27% to 43.6 cents per share
- Annual dividend up 24% to 28.5 cents per share

Organic growth, market share gains and acquisitions have boosted revenue and earnings which has enabled Photon Group Limited (ASX: PGA) to announce a 33% lift in net profit after tax to a record \$21.7 million for the 12 months ended 30 June 2008.

The result, following a surge in second half earnings that has continued through to the new financial year, was driven by 94% growth in net revenue to \$376.8 million, while EBITDA rose 74% to \$78.2 million.

Directors have announced a final fully franked dividend of 17 cents per share, payable on 7 October 2008, with the full year's annual fully franked dividend rising 24% to 28.5 cents per share.

Executive Chairman of Photon Group Limited, Mr Tim Hughes said, "Our record profit today was driven by a very strong second half. Overall like-on-like EBITDA growth of 14% was underwritten by the fact we are very much in the right place at the right time in this new marketing and communications environment. I expect our company will enjoy the benefits of this positioning over the next few years."

"Today the consumer is in control and has a large choice of communication tools to receive information and respond to product offerings. One-way forms of communication using TV, radio and newspapers will always have their place but in this new consumer empowered world, they are much less relevant. Communication is now two-way and the consumer needs to be consulted, involved and in many cases utilised as a source of content. Photon was built around this reality."

¹ Adjusted for amortisation of intangible and present value changes

² Adjusted for amortisation of intangibles and present value changes

“At Photon we are enjoying the benefits as many CEOs and marketing directors adapt to the new world of consumer empowerment and reallocate their budgets by increasing the weighting towards areas such as internet marketing, social media, mobile, strategic analysis and research, digital, experiential, field marketing and editorial. In fact we expect the Internet division alone to be the largest contributor in FY2009 and account for almost 30% of earnings. We are also seeing a trend away from multinational agencies towards strong local independent service providers who are in touch with the local consumers.”

“The outlook for Photon is very positive. Even in these challenging times, we are seeing very good growth overall and we expect double digit growth in revenue, EBITDA and EPS in the coming year,” he added.

Chief Executive Officer, Mr Matthew Bailey said, “We had a very strong year with exceptional growth in the Internet, Strategic Intelligence and Specialised Communications divisions. We have very diverse, visible income streams across our five key divisions. We also now have over 50% of our earnings off-shore.”

“We made a number of acquisitions throughout the year. Each of these has been integrated into our group and are performing above expectations. We also started 11 new businesses and a number of off-shore offices which are adding to our organic growth. Even though we are operating in challenging times on the whole we are growing strongly due to market share gains, new product offerings and the fact we offer a diverse range of marketing services.”

“We have in place a very experienced management team and conservative debt profile following our recent capital raising. We will continue to review acquisitions and start-up opportunities as they arise within the context of a prudent capital structure,” Mr Bailey concluded.

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