

30th July 2007

ASX/MEDIA RELEASE

**PHOTON GROUP ACQUIRES LEADING INDEPENDENT PROMOTIONAL
MARKETING AGENCY: ISS**

Photon Group (ASX:PGA) has today announced the acquisition of the ISS Marketing business (**ISS**), one of the largest independent promotional marketing agencies in Australia. The acquisition was effected by Photon Group acquiring 100% of ISS Consolidated Pty Limited (**ISS Consolidated**).

ISS is an agency with a broad offering designed to enhance client sales, including the use of licensed product promotions, competitions, consumer and trade promotions and in-store promotional support programs. ISS, which was founded in 1997, is based in Melbourne.

Executive Chairman of Photon, Tim Hughes said: "ISS has a strong history of growth and brings an impressive suite of services and blue chip clients, ranging from sporting events, wagering, beverage and FMCG. The business is a good complement to our existing marketing services companies and it shares our desire to help grow clients' businesses."

Matt Bailey, CEO of Photon said: "With sales of more than \$10m, ISS will strengthen our promotional marketing offering in a number of areas including point of sale, sponsorship marketing, consumer and trade promotions and print solutions. It brings an impressive roster of clients. ISS will be a solid contributor to the Integrated Communications & Digital Division of Photon."

ISS Consolidated director, Sean Taylor, said: "Becoming part of the Photon Group will allow us to further develop our product offering and we look forward to working closely with other Photon companies to realise the businesses' full potential. Our emphasis on maintaining long-term relationships with key clients fits well with Photon's customer service emphasis."

The initial purchase price is an upfront cash payment of \$5 million to be funded from existing debt facilities and 158,228 Photon shares, plus additional deferred payments tied to earnings through to 2011.

Over the next 12 months, the acquisition of ISS Consolidated is expected to be accretive to Photon's earnings per share.

Photon is a specialist marketing services company comprised of five strategic divisions: Strategic Intelligence, Integrated Communications & Digital, Field Marketing, Internet Marketing & Communications and Specialised Communications

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