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ASX/MEDIA RELEASE

**PHOTON GROUP EXPANDS FURTHER INTO UNITED STATES WITH
ACQUISITION OF ONLINE ADVERTISING COMPANY, FINDOLOGY**

- **Acquires leading search engine and online advertising company, Findology**
- **Further expands Photon's growing presence in the US market**
- **Builds Photon's internet marketing communications capability significantly**
- **Acquisition earnings per share accretive over 12 months**

Photon Group (ASX:PGA) has further expanded into the US market and strengthened its internet marketing communications division with the acquisition of leading search engine and online advertising company, Findology Interactive Media, Inc and Way Internet, Inc. (Findology).

Executive Chairman of Photon, Tim Hughes said: "Findology has a strong track record of revenue and earnings growth since its inception in 2001. Findology matches internet traffic with products and information for publishers, specific sites and direct advertisers.

Findology represents an excellent fit with our other internet marketing and communications companies such as iMega and OB Media. This acquisition has increased our exposure to the fast growing internet marketing sector."

Photon Chief Executive Officer, Matt Bailey said: "With this acquisition, Photon has now firmly established a significant internet marketing communications business which positions the Group to take full advantage of the expected growth in this sector.

"Findology has a strong client roster and a full suite of customised services to grow clients' revenue. It also possesses innovative search technology which has underpinned the development of its business and will enable it to grow further."

Chief Executive of Findology, Jon Waterman said: "We are very excited to become part of Photon. As a group, they really understand the potential of internet communications and have a demonstrated commitment to the sector through their previous acquisitions in this area.

"We believe this deal enables us to grow our business faster and within a corporate community which has a passion for this business. We are looking forward to being part of an exciting development in Photon's growth in this sector."

The purchase price comprises an initial cash payment of A\$19.25 million and the issue of 516,590 Photon shares plus deferred payments tied to performance targets. The initial payment was funded from Photon's acquisition facility.

Over the next 12 months, the acquisition of Findology is expected to be positive to Photon's earnings per share.

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

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