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# Photon Group Limited

Financial Results  
Half Year Ended  
31 December 2005

A decorative graphic at the bottom left of the slide, consisting of a horizontal band of red and white speckles that tapers to the right. The word "PhotonGroup" is written in white serif font on a dark red background within this band.

PhotonGroup

## Executive Summary

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- December half year results reflect the completion of our establishment phase. Annualised revenue and EBITDA are well in excess of \$100m and \$25m respectively.
- The diversified marketing sector, as opposed to traditional advertising agencies, is not directly tied to national advertising. In an environment in which the national advertising market has low single digit growth we have achieved like on like growth of 27%.
- Revenue during half year increased 57% to \$57.9m and EBITDA increased 73% to \$11.81m.
- EPS 9.9 cents adjusted for Amortisation. Dividend 8 cents fully franked.
- Growth to continue a mix of strong organic growth and value adding acquisitions.
- Acquired Counterpoint in October 2005 and SEE Life Differently (*Strategic Communications*) acquired in February 2006

## Financial Scoreboard

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- Consolidated Revenue up 57% to \$57.9m
- Consolidated EBITDA up 73% to \$11.81m
- EBITDA Organic Growth up 22%
- EBITDA Like for Like Growth up **27%**
- NPAT adjusted for amortisation up 81% to \$5.83m
- Interim fully franked dividend declared at 8.0 cents per share (3.0 previous year) , up 166.6%

## December Half Year 2005 – Actual Results

	H1 06 Actual AIFRS (\$m)	H1 05 Actual AIFRS (\$m)	% Change
Revenue	57.93	36.85	57.2%
<b>EBITDA</b>	<b>11.81</b>	<b>6.84</b>	72.7%
Depreciation	1.30	0.61	113.1%
Amortisation	0.47	0.00	
PV	0.60	0.39	53.8%
EBIT	10.04	6.22	61.4%
NPBT	8.25	4.90	68.4%
NPAT after minorities	5.36	3.23	65.9%
NPAT adjusted for Intangibles Amortisation	5.83	3.23	80.5%
EPS Reported	9.4 cents	6.6 cents	
EPS adjusted for Intangibles Amortisation	9.9 cents	6.6 cents	
Interim Dividend	8.0 cents	3.0 cents	

PV represents a non cash discounting charge against deferred acquisition payments

## Half Year Overview

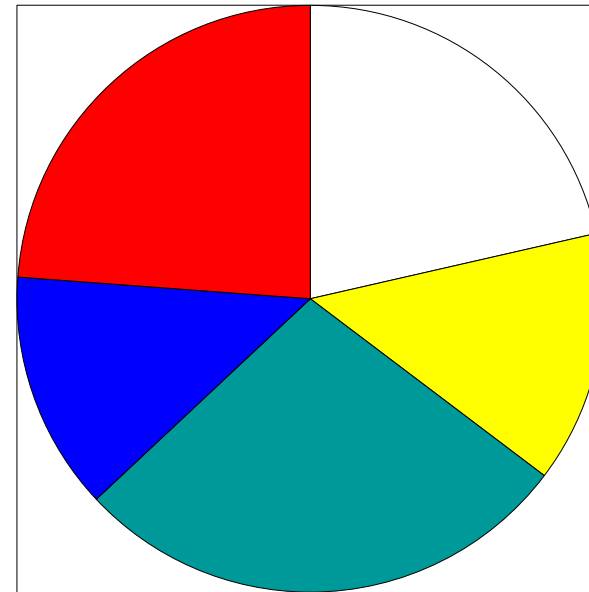
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- Marketing & Communications business is robust
- Business Intelligence, Specialised Communications Services and Sales & Presence Marketing best performing pillars with above average growth
- Solid performance based on good organic growth
- Acquisitions performing in line with forecast
- Leading Edge launched in Singapore
- Acquisition of Counterpoint Sales and Marketing in October
- Integration of Counterpoint Sales & Marketing acquisition - meeting expectations
- Successful relocation of 8 companies into George St, Sydney
- Formation of Photon Executive Committee headed by Tim Hughes & Matt Bailey
- Group EBITDA Margin running at 20.4%
- AIFRS transition

# Revenue Mix

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□ Business Intelligence	21%
■ Digital & Interactive	14%
■ Sales & Presence Marketing	28%
■ Mass Traditional Communication	13%
■ Specialised Communication Services	24%



## Balance Sheet Summary

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<b>As at 31 December 2005</b>	<b>(\$m)</b>
Working Capital	20,219
Other Assets	5,099
Fixed Assets	9,089
Intangible Assets	142,166
Total Assets	<u>176,573</u>
Less: Provisions	11,585
Deferred Payments (PV)	23,848
Bank Debt	43,573
Total Equity (incl. OEI)	<u><u>97,567</u></u>

# The five pillars – a snapshot

Business Intelligence	Digital and Interactive	Sales and Presence Marketing	Mass Communication	Specialised Communication Services
<b>Current</b>				
The Leading Edge SEE Things Differently	Legion Interactive Media Zoo Returnity	The Bailey Group Counterpoint Marketing & Sales Orchard National	AdPartners The Artel Group Brass Tacks Kaleidoscope Kinetics Love	ABT Bellamyhayden CPR Communications & Public Relations Ideassociates ImageBox Precinct Design Republicorp Robbins Brandt Richter
<b>Proposition</b>				
Leading insight provider in growing consumer demand.	Become the pre-eminent leader in digital interaction and drive measurable results.	Grow our market position in the outsourcing of sales and marketing and venture into new segments.	Effective communication solutions through understanding the local market environment.	A growing and vibrant leadership position in each field of expertise.



## Our Direction

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- The growing role of new revenue streams: innovative products and services will fuel growth helping offset declining categories
- Paradigm shift to digital and interactivity. Making certain we are leading the way and keeping pace with technology change
- Internet will be one of the fastest growing advertising segments, reaching 7% of the global advertising market in 2009 (source: PWC Global Entertainment and Media Outlook 2005-2009)
- The significant role of new distribution channels and next generation technologies will support these industry forecasted trends
- Continue to drive performance culture:
  - Executive KPI's
  - Training to intensify (Sales & Management development)
  - Share performance
- Following clients into new geographic locations

## Outlook

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- Annual result target/s on track
- 55% of budgeted EBITDA in second half of the year
- Costs remain tightly controlled with ongoing focus in seeking operational efficiency in all aspects of the business
- Well positioned in an environment when advertising budgets are being cut and marketers looking for more bang for their buck via direct response, interaction, editorial, digital and business intelligence
- Continue to explore and assess further acquisitions that will further diversify the groups revenue and earnings