

PhotonGroup

Thinking in  
Another Dimension

2006 Annual Results  
August 2006

## Photon Group Limited 2006 Annual Results

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- 1 Overview
- 2 Results Summary
- 3 Statement of Financial Performance
- 4 Balance Sheet
- 5 2006 Year in Review
- 6 Acquisitions During Year
- 7 Photon Pillars
- 8 Diversity by Pillar and Company
- 9 Diversification by Sector
- 10 Diversity by Client
- 11 2006 Revenue and EBITDA by Pillar
- 12 2007 Budget by Pillar
- 13 The Media Revolution – The Photon Group well positioned
- 14 Outlook

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## Overview

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- ↑ Net Revenue increased 55% to \$126 million and EBITDA was up 56% to \$28.1 million.
- ↑ EPS (adjusted for amortisation) increased from 17.8 cents in 2005 to 26.6 cents in 2006.
- ↑ Acquisition of a further 7 companies during 2006, further diversifying revenue and earnings.
- ↑ Photon is not dependant on any one form of media, marketing sector, individual company or client.
- ↑ Photon is plugged into the high growth sectors of research, digital, internet, field marketing, and specialised services such as PR.
- ↑ Photon experienced very strong organic growth, with Revenue up 18% and EBITDA up 20%. Organic growth underpinned the 2006 result.

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## Results Summary

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	2005	2006	Change
Net Revenue	\$80.9m	\$125.6m	55%
EBITDA	\$17.9m	\$28.1m	56%
EPS	15.4 cents	21.3 cents	38%
EPS Adjusted*	17.8 cents	26.6 cents	49%
Full Year Dividend (ff)	8 cents	20 cents	

\* Adjusted for Amortisation Intangibles, PV Charges

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## Statement of Financial Performance

Audited IFRS Statement of Financial Performance Year Ended 30 June	2004 Actual \$m	2005 Actual \$m	Change 04-05 %	2006 Actual \$m	Change 05-06 %
Revenue (Net)	34,335	80,955	136%	125,621	55%
<b>EBITDA</b>	<b>5,594</b>	<b>17,989</b>	<b>222%</b>	<b>28,061</b>	<b>56%</b>
Depreciation	577	1,743	202%	3,126	79%
Amortisation - Identifiable Intangibles	1,376	436	(68%)	1,763	304%
EBIT	3,641	15,810	334%	23,172	47%
Interest - PV Charges		924		1,384	50%
Reported NPAT (after min)	1,287	8,703	576%	12,656	45%
<b>Adjusted NPAT (after min) *</b>	<b>2,663</b>	<b>10,063</b>	<b>278%</b>	<b>15,803</b>	<b>57%</b>
Reported EPS		15.4		21.3	38%
<b>Adjusted EPS</b>	<b>5.4</b>	<b>17.8</b>	<b>230%</b>	<b>26.6</b>	<b>49%</b>
Interim Dividend (ff)		3.0		8.0	167%
<b>Final Dividend (ff)</b>	<b>2.0</b>	<b>5.0</b>	<b>150%</b>	<b>12.0</b>	<b>140%</b>
EBITDA Margin	16.29%	22.2%		22.3%	
Adjusted NPAT margin	7.76%	12.4%		12.6%	
Shares on Issue	49.04m	56.39m		59.37m	

\* Adjusted for Amortisation Intangibles, PV Charges

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## Organic and Acquisition Revenue/EBITDA Analysis

	2005	2006	Change
Net Revenue (Organic) *	\$89.1m	\$104.9m	18%
Acquired	–	\$20.7m	100%
<b>Total</b>	<b>\$89.1m</b>	<b>\$125.6m</b>	<b>41%</b>
EBITDA (Organic) *	\$20.2m	\$24.2m	20%
Acquired	–	\$3.9m	100%
<b>Total</b>	<b>\$20.2m</b>	<b>\$28.1m</b>	<b>39%</b>

\* Organic growth represents like-like results for companies acquired in FY2005.

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## Balance Sheet

	\$m	\$m
Cash	11,734	
Working Capital	5,925	
Other Assets	11,560	
Fixed Assets @ WDV	11,445	
Intangibles:		
Goodwill	165,926	
Identifiable Intangibles @ WDV	11,716	
<b>Total Assets</b>		<b>218,306</b>
Provisions	15,720	
Deferred Payments (PV):		
Current	16,080	
Non-Current	20,010	
Borrowings:		
Bank	58,995	
Finance Leases	5,601	
<b>Net Assets</b>		<b>101,900</b>

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## 2006 Year in Review

- Successful integration of each of the acquired company's.
- Research, Field Marketing, PR and Digital, Interactive & Internet growing strongly.
- Revenue and EBITDA growth ahead of expectations.
- Opening of Singapore office with the Leading Edge. Provided the platform to actively pursue opportunities with CPR and Legion Interactive in the region
- Implementation of Photon Group Performance Improvement Program.
- Companies working together to win clients (e.g. Domain.com.au – Love/iMega/Returnity and Legion),
- Photon now employs 1,100 full time and 4,000 casual staff

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## Acquisitions During Year

Kaleidoscope	Sales Promotions	July 05
Republicorp	Content Development	August 05
Media Zoo	Digital Marketing	August 05
Counterpoint	Sales & Field Marketing	October 05
See	Advertising/Brand Comms.	February 06
Creo	Financial Comms.	March 06
Demonstration Plus	Field Marketing	April 06

### Since Year End

iMega	Online Advertising	July 06
Ausrep	Sales & Field Marketing	July 06
Jigsaw	Strategic Research	July 06
Belgiovane Williams Mackay	Advertising	August 06

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## Photon Pillars



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## Diversity by Marketing Service and Company

Business Intelligence	Digital, Interactive and Internet	Sales and Presence Marketing	Mass Communication	Specialised Communication Services
The Leading Edge Jigsaw	Returnity Legion Interactive Media Zoo iMega	The Bailey Group Orchard National Counterpoint Marketing & Sales Demonstration Plus Ausrep	Love AdPartners Brass Tacks The Artel Group Kinetics Kaleidoscope SEE BWM	Bellamyhayden Ideassociates CPR ABT Precinct RBR Image Box Republicorp Creo

Acquired 2006  
Acquired since Year End

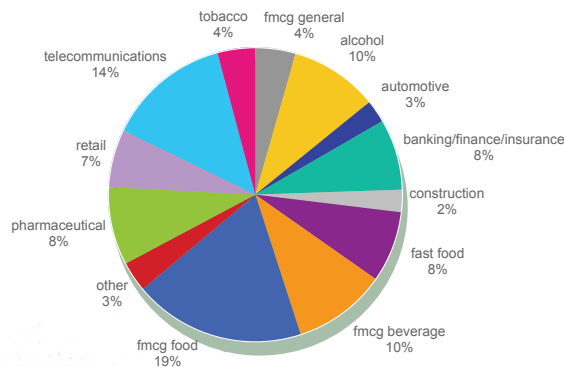
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## Diversification by Sector

### Photon Group Top 25 Clients by Category

For the Year ended 30 June 2006



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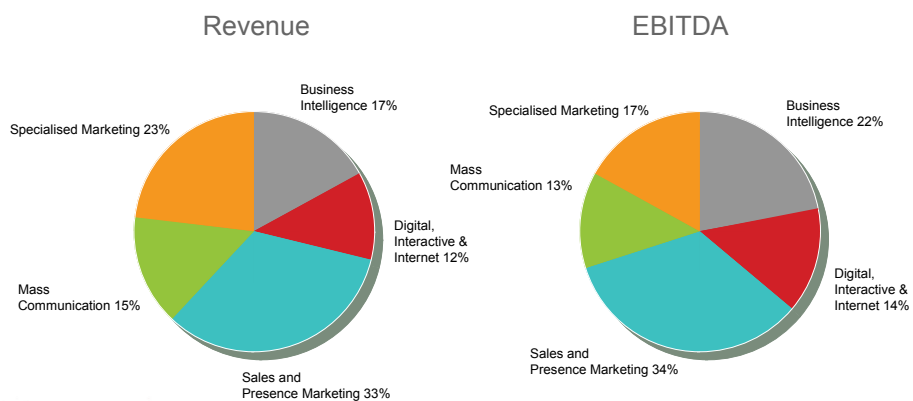
## Diversification by Client

Client	Photon Relationships	Revenue \$ ('000)	% Total Revenue
Bank	2	5,346	4.24%
Alcohol/Beverage	4	4,345	3.47%
Pharmaceutical	4	3,729	2.98%
Fast Food	2	3,279	2.62%
Telecommunication	3	3,562	2.84%
<b>Top 10</b>		<b>30,356</b>	<b>24.2%</b>
<b>Top 20</b>		<b>49,968</b>	<b>39.9%</b>

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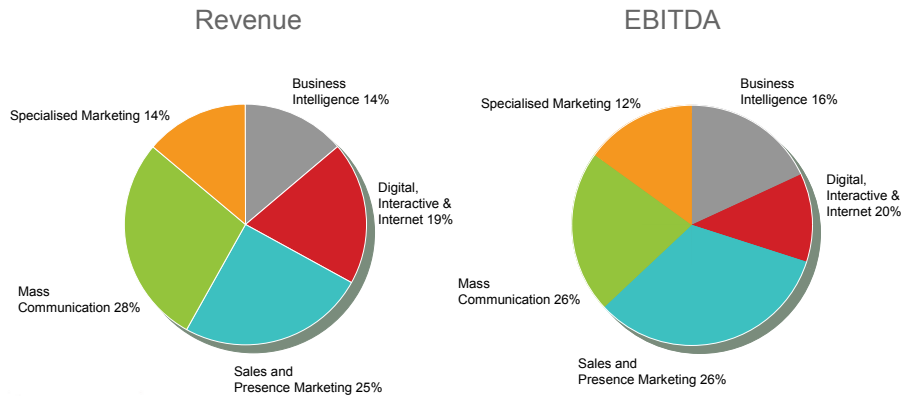
## 2006 Revenue and EBITDA by Pillar



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## 2007 Budget by Pillar



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## The Media Revolution – Photon Group well positioned

Mass Market Many-to-One	One-to-One	Electronic One-to-Many	Interactive One-to-One	Interactive Many-to-Many
TV RADIO MAGAZINE NEWSPAPER BILLBOARD	DIRECT MARKETING	WEB MASS EMAIL BANNER ADVERTISING	TEXT EMAIL MIX MEDIA CAMPAIGNS	COMMUNITIES & BLOGS RELATIONSHIP DEV. VIRAL ACTIVITY & BRAND AFFINITY SEARCH ENGINE MARKETING



Marketing spend continues to increase, however with savvy marketers the spend has become a lot more fragmented.

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## Outlook

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- ↑ The first two months trading is very strong.
- ↑ Due to organic growth and recently announced acquisitions, we are budgeting revenue of approximately \$200m and EBITDA in excess of \$40m (up 43%).
- ↑ We continue to explore further acquisitions in a disciplined manner that have growth prospects and can leverage existing Photon businesses and clients.
- ↑ Photon is now a truly diverse and independent marketing and communications group.
- ↑ We are well positioned for strong growth into 2007 and beyond.

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Photon Group Limited 2006 Annual Results

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2006 Annual Results  
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Questions