

Photon Group Limited
ABN 97 091 524 515
Appendix 4E

Preliminary final report
Year ending on 30 June 2005

The following information must be given to ASX under listing rule 4.3A.

1. Details of the reporting period and the previous corresponding period.

The current reporting period is 1 July 2004 to 30 June 2005.

The previous corresponding reporting period is 1 July 2003 to 30 June 2004.

2. Results for announcement to the market.

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

| | | | |
|-----------------------------------|----|---------|---------------|
| Revenues from ordinary activities | up | 135.78% | to 80,955,000 |
|-----------------------------------|----|---------|---------------|

2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

| | | | |
|---|----|---------|--------------|
| Profit from ordinary activities after tax attributable to members | up | 255.24% | to 4,572,000 |
|---|----|---------|--------------|

+ See chapter 19 for defined terms.

2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

| | | | |
|---|----|---------|--------------|
| Net profit for period attributable to members | up | 255.24% | to 4,572,000 |
|---|----|---------|--------------|

2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

| Dividends (distributions) | Amount per security | Franked amount per security |
|---------------------------|---------------------|-----------------------------|
| Final dividend | 5.0 cents | 5.0 cents |

2.5 The record date for determining entitlements to the dividends (if any).

| | |
|--|-------------------|
| Record date for determining entitlements to the final dividend | 21 September 2005 |
|--|-------------------|

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

The figures in 2.1 to 2.4 include the results from the acquisition of four new entities from the date of acquisition of each entity. In July 2004, Photon Group Limited acquired The Leading Edge Market Research Consultants Pty Limited and its controlled entities, in January 2005 Photon Group Limited acquired ONAT Holdings Pty Limited and its controlled entities, in March 2005 Photon Group Limited acquired Legion Interactive Holdings Pty Limited and its controlled entities, and in June 2005 Photon Group Limited acquired Kinetics Pty Limited. For further information please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005, Note 27, Controlled entities, pages 46 to 49.

3. A statement of financial performance together with notes to the statement, prepared in compliance with AASB 1018 or the equivalent foreign accounting standard.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

| | |
|-------------------------------------|----------------|
| Statements of financial performance | Page 17 |
| Accompanying notes | Pages 20 to 66 |

4. A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.

⁺ See chapter 19 for defined terms.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

| | |
|----------------------------------|----------------|
| Statements of financial position | Page 18 |
| Accompanying notes | Pages 20 to 66 |

- 5. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 1026 Statement of Cash Flows, or for foreign entities, the equivalent foreign accounting standard.**

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

| | |
|--------------------------|----------------|
| Statements of cash flows | Page 19 |
| Accompanying notes | Pages 20 to 66 |

- 6. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.**

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

| | |
|---------------------|---------|
| Note 23 – Dividends | Page 42 |
|---------------------|---------|

- 7. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

At the date of this report, there are no dividend reinvestment plans in operation

- 8. A statement of retained earnings showing movements.**

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

| | |
|--|---------|
| Note 21 – Retained profits/ accumulated losses | Page 41 |
|--|---------|

- 9. Net tangible assets per security with the comparative figure for the previous corresponding period.**

+ See chapter 19 for defined terms.

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Preliminary final report
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| NTA backing | 2005 | 2004 |
|---|-------------|-------------|
| Net tangible asset backing per ordinary share | (0.58) | (0.20) |

10. Details of entities over which control has been gained or lost during the period, including the following.

10.1 Name of the entity.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Note 27 – Controlled entities Pages – 46 to 49

10.2 The date of the gain or loss of control.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Note 27 – Controlled entities Pages – 46 to 49

10.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Profit from ordinary activities from the entities acquired during the year ended 30 June 2005 represented a significant amount of the consolidated entities profit for the year ended 30 June 2005.

Further specific disclosure of the operating profit of these controlled entities would likely result in unreasonable prejudice to the economic entity.

11. Details of associates and joint venture entities including the following.

11.1 Name of the associate or joint venture entity.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Note 28 – Investments accounted for using the equity method Page 50

⁺ See chapter 19 for defined terms.

11.2 Details of the reporting entity's percentage holding in each of these entities.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Note 28 – Investments accounted for using the equity method Page 50

11.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Note 28 – Investments accounted for using the equity method Page 50

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Directors report (including the Remuneration report) on pages 1 to 15 which includes discussion on:

- Principle activities
- Review and result of operations
- State of affairs
- Events subsequent to balance date
- Remuneration policies
- Director and senior executives remuneration
- Share based payments granted as remuneration

13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

Not applicable

14. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.

+ See chapter 19 for defined terms.

14.1 The earnings per security and the nature of any dilution aspects.

| | 2005 | 2004 |
|----------------------------|-------------|-------------|
| Basic earnings per share | 9.16 cents | 4.45 cents |
| | | |
| Diluted earnings per share | 9.00 cents | 4.40 cents |

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Refer note 7 – Earnings per share for further information regarding the calculation of the above amounts and the nature of any dilution aspects

14.2 Returns to shareholders including distributions and buy backs.

No returns were made during the current period

14.3 Significant features of operating performance.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Directors report (including the Remuneration report) on pages 1 to 15 which includes discussion on:

- Principle activities
- Review and result of operations
- State of affairs
- Remuneration policies

14.4 The results of segments that are significant to an understanding of the business as a whole.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Note 8 – Segment reporting Page 32

14.5 A discussion of trends in performance.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Directors report (including the Remuneration report) on pages 1 to 15

⁺ See chapter 19 for defined terms.

14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Directors report (including the Remuneration report) on pages 1 to 15

15. A statement as to whether the report is based on +accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed

This report is based on accounts which have been audited.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Independent audit report to the members of Photon Group Limited on page 68

16. If the +accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

Refer question 15.

17. If the +accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

The accounts for Photon Group Limited and its controlled entities for the year ended 30 June 2005 are not subject to dispute or qualification.

Please see the attached Photon Group Limited and its Controlled Entities Annual Financial Report for the year ended 30 June 2005.

Independent audit report to the members of Photon Group Limited on page 68

+ See chapter 19 for defined terms.