

22 February 2006

ASX RELEASE

PHOTON GROUP LTD (PGA) EBITDA INCREASES 73% TO \$11.81M

Results Highlights:

- Revenue growth 57% to \$57.71m
- EBITDA growth 73% to \$11.89m
- Like on like EBITDA growth 27%
- EPS 9.4 cents per share
- Interim dividend of 8 cents a share fully franked

Mr Tim Hughes, Executive Chairman of Photon Group Limited, today announced the company's results for the six months to 31 December 2005. In announcing the half year results, Mr Hughes said, "in the first six months we experienced buoyant trading conditions. The groups EBITDA grew to \$11.89 million. Revenues totalled \$57.71 million and we will pay a 8 cent per share interim dividend."

Mr Hughes added, "these results are a reflection of the quality of the companies in our group. It is pleasing to report that we produced like on like EBITDA growth of 27%. We have a diverse mix of quality marketing and communications companies. We are not dependant on national advertising budgets. We are well placed to capture marketing dollars as the market shifts from traditional advertising to specialised and targeted communication strategies."

In reviewing the results, Photon Group Chief Executive Officer, Mr Matthew Bailey said today, "the marketing and communications sector has been strong and we have benefited. These results, however, have been underwritten by the hard work and dedication of all our management and staff across the group. During the half year we acquired Counterpoint, Kaleidoscope, Media Zoo and Republicorp, which has further increased our size and diversity. Since balance date we have acquired our 23rd company, SEE Life Differently, a strategic communications group.

We will continue to focus on organic growth and at the same time extend client relationships and business opportunities across the group."

The record date for the 8 cent fully franked dividend is 7 March 2005. The dividend will be paid 4 April 2005.

The Board of Photon also today announced the appointment of Tony Rowlinson, the company Chief Operating Officer, to the Board of Directors.

Contacts:

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Photon Group Limited

ABN

97 091 524 515

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | *Class of *securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued | 200,000 |
| 3 | Principal terms of the *securities (eg, if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion) | The shares are subject to voluntary escrow restrictions for 6 months from the issue date, which will cease on 21 August 2006. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The shares rank equally with other Photon ordinary shares on issue.				
5 Issue price or consideration	\$3.78 per share				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Shares issued as part consideration for the acquisition of all issued shares in the capital of SEE Life Differently Holdings Pty Limited.				
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	22 February 2006				
8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="711 1318 992 1388">Number</th><th data-bbox="992 1318 1265 1388">⁺Class</th></tr> <tr> <td data-bbox="711 1388 992 1591">59,245,290</td><td data-bbox="992 1388 1265 1591">Ordinary fully paid shares</td></tr> </table>	Number	⁺ Class	59,245,290	Ordinary fully paid shares
Number	⁺ Class				
59,245,290	Ordinary fully paid shares				

+ See chapter 19 for defined terms.

	Number	*Class
9	Number and *class of all *securities not quoted on ASX (including the securities in clause 2 if applicable)	4,078,750 Unlisted options over ordinary shares.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same entitlements as apply to existing ordinary shares.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the *securities will be offered	
14	*Class of *securities to which the offer relates	
15	*Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has *security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 60px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

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Quotation agreement

- 1 *Quotation of our additional *securities is in ASX's absolute discretion. ASX may quote the *securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those *securities should not be granted *quotation.
 - An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 22 February 2006
(Company secretary)

Print name: Geoff Nesbitt

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