

## Mitchells reports 12% increase in profit

Strong increases in revenues, cash earnings (EBITDA) and operating cash flow

Shareholders rewarded with a fully franked, interim dividend of 1.9 cents per share

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Leading integrated and diversified media services and communications group, Mitchell Communication Group Limited (ASX: MCU, "the Group"), today announced its financial results for the half year ended 31 December 2008.

### Group Financial Highlights

The financial results for the half year ended 31 December 2008, compared to the previous corresponding period (pcp) as reported, demonstrate the following highlights:

- ✓ **Gross billings of \$626.0 million**, up \$32.5 million or 5.5% on pcp;
- ✓ **Total Revenues of \$111.6 million**, up 27% on pcp;
- ✓ **EBITDA of \$15.1 million**, up \$1.7 million or 13% on pcp;
- ✓ **Net profit after tax of \$8.1 million**, up 12% on pcp;
- ✓ Operating cash flow (pre income taxes and borrowing costs paid) of \$20.9 million, up \$12.8 million or 160% on the pcp;
- ✓ Basic and diluted earnings per share of 2.8 cents per share, up 4% on pcp; and
- ✓ **Interim dividend of 1.9 cents per share**, fully franked, up 6% on pcp.

### Comments

Mr Stuart Mitchell, Chief Executive Officer of the Mitchell Communication Group said, "The result is exceptional. As I remarked at the Company's recent AGM, the Group has over 32 years of history and has a proven track record of growth despite different market cycles. These achievements are a testimony to our strength, being number one in the majority of our pursuits, the quality of our relationships with our clients and our people and their service delivery. Our recent appointment to the media account of Fairfax Media is further evidence of this. During the period, gross billings in our traditional media business grew 5.2% compared to the previous period, whilst the market as a whole experienced a contraction of 3.8%<sup>1</sup>. We seize opportunities in all cycles. Moreover, we are conservatively geared with no refinancing requirements in the current or next financial year.

During the half, we also grew revenues in our sports ground marketing, public relations and brand experience businesses and our Australian online advertising businesses gross billings increased by 42% compared to the same period last year, again outstripping the market growth of 25.7%<sup>2</sup>.

In achieving this result, we recognise the efforts of our staff, and the support of our clients, suppliers and shareholders with many of whom we enjoy long-standing and mutually beneficial relationships, relationships that give us confidence in our ability to deliver into the future."

For further details please visit our website [www.mitchells.com.au](http://www.mitchells.com.au) or contact:

Stuart Mitchell  
Chief Executive Officer

Mitchell Communication Group  
(03) 9690 5544

Luke Littlefield  
Chief Operating Officer  
Mitchell Communication Group  
(03) 9690 5544

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1- Nielson Adex excluding Online and Pay TV for the period ended July to December 2008.  
2- PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – December 2008.