

**Mitchell Communication Group Limited**  
**Annual General Meeting**  
**Address by Executive Chairman Harold Mitchell**  
**Monday 30 November 2009**

In welcoming you could I make some short remarks.

This is the second year of the Group operating as an expanded public company and it has been a challenging year in our industry.

Despite our relatively short time in this public role, Mitchell & Partners, which is at the heart of the Mitchell Communication Group, has been operating since 1976.

These years of experience give us a useful context to the current moment.

We have without doubt just been through one of the hardest times in the past three decades, caught in a period impacted by the global economic crisis on the one hand and the continuation of great structural change within the media industry on the other.

I'm delighted to be able to report that we've come through this period with a company in very good shape, not all can say that.

The CEO will speak specifically on the results for the last financial year.

But I can say we have looked after the interests of shareholders, we have given strength to our staff, our trading partners and of course our clients.

Last year I forecast tough times ahead but did say that economically, Australia was well positioned in the instance of a global downturn. We did not have to suffer the same level of decline that might affect the rest of the world.

Those comments set the course for the way we have run your company...

We have always been well prepared for change. We were – and remain – ahead of the market and knew our strategy of diversification would hold us in good stead.

We did not panic.

We maintained our strength.

We continued with our level of service, commitment and expertise.

And it has paid off.

I mentioned then the strength of our nation, a Federal budget that was in surplus and our location in the great growth corridor that is Asia. We now know these dual strengths have benefited Australia.

At the same time, the 60-year move to a globalised world with multi-national companies faltered just slightly.

60% of Australian advertising dollars are influenced by global companies, however 80% of your company's business is Australian based companies and this has been a strength for us.

The great global competitors are only as strong as their weakest link. We powered ahead, they stumbled.

Economies, industries and advertising run on confidence. The Lehman Brothers collapse in the third quarter of last year shook the world – its affect extending far beyond America's border.

Here in Australia, we saw in our own research the greatest downturn in confidence in a generation.

But as a result of the two stimulus packages the Federal Government introduced in December 2008 and March of this year, our economy moved ahead as confidence levels returned throughout the community.

This wasn't due so much to the actual funds that became available from the stimulus packages, as much of it was not spent.

But it gave a sustainable boost to confidence, a significant factor in Australia avoiding the recession the rest of the world was having.

With a stable Australia, all of the plans we laid out more than two years ago began to give us a very real advantage.

You will recall we consolidated our businesses so that we have total control of their destinies.

We injected our management with youth while continuing a broadly representative and experienced Board. I believe this combination has paid off.

And I thank my fellow Board members and our staff at all levels.

At the same time, and unlike many competitors in our sector, we have avoided high levels of debt and in many respects are a very cash-positive company.

Before it was ever a public issue, we understood the sensitivities of our shareholders and were respectful of them.

We have committed to a responsible level of remuneration for staff and our Board.

We are now positioned to continue to take advantage of the weakness of the market, in a stronger position than our competitors.

We believe we have increased our market share across the range of our operating businesses.

We know that the outlook of our clients is improving, although of course they are cautious.

We always believed this downturn would not extend beyond two years and we are now more than halfway through it.

We know our client base, being largely Australian-based companies, means that we continue to be protected from the aftermath of world events, which in my view will continue for some years to come.

Whilst we concentrate on our own backyard, and we will continue to do so, we will always be in touch with important world markets at the highest levels.

I visited Asia just two weeks ago and returned at the weekend from a trip to the advertising markets in New York.

I know that we can show more optimism than some of those whom I've met in this past fortnight. We are linked to Asia and that will be a great strength for Australia.

The latest IMF growth estimates that have come in the last fortnight show real GDP growth next year in Australia and our region. China 9% India 6% but the Western markets generally flat.

We are confident also that we have all the building blocks in place to manage the great structural change in this digital age.

To shareholders I can say we have a great belief in building shareholder value. Over time and as well in current dividends.

I've noticed that it has been common in this past year for companies to reduce dividend payouts.

We have not done that.

Our profits are good and our outlook equally so. We think it is proper that you share the company's rewards.

We are confident of the future, we're in a position to take advantage of opportunities in the year ahead and we think they will occur.

We will stay in the fields we know well, as there's much more growth we can achieve.

Let me conclude by some comments about the future. We see the year 2010 as a year of consolidated strength. The CEO will talk of our current positive signs. Our research shows that confidence is returning and billings are growing.

We can say, the past is the past, and that is good news, but more importantly we believe that growth will return in the 2010/11 year in a major way.

Early signs of what could be a boom year are emerging. We are well positioned with staff and structure in place, and it will simply be a case of hang on for the ride.

We look forward to continuing successful years ahead. Let me now ask our CEO to report on the year just past. And in doing that, can I congratulate him and his senior people for an outstanding result and thank you our loyal shareholders, for your support. I wish you all a very Merry Christmas.