

## Mitchells exceeds market growth and reports increased profit

### Billings exceed \$1.33 billion, increased operating cash flows and net cash surplus at year end

Leading integrated and diversified media services and communications group, Mitchell Communication Group Limited (ASX: MCU, "the Group"), today announced its financial results for the year ended 30 June 2010.

#### Group Financial Highlights

The financial results for the year ended 30 June 2010, compared to the previous corresponding period (pcp), demonstrate the following highlights:

- ✓ **Gross billings of \$1,339.2 million**, up \$180.8 million or 16% on pcp;
- ✓ **Operating revenues of \$261.1 million**, up \$35.9 million or 16% on pcp;
- ✓ **EBITDA of \$34.8 million**, up \$0.6 million or 2% on pcp;
- ✓ **Net profit after tax of \$19.4 million**, up \$0.2 million or 1% on pcp;
- ✓ **Cash surplus (net of debt) of \$42.5 million** at period end;
- ✓ **Operating cash flow of \$56.1 million**, up \$26.7 million or 91% on the pcp; and
- ✓ **Final dividend of 5.0 cents per share**, fully franked, up 138% on pcp<sup>3</sup>.

#### Comments

In commenting on the result, Mr Harold Mitchell, Executive Chairman of the Mitchell Communication Group said: "We're a strong Company, which has provided us with many opportunities over the past 12 months. With top line growth driven primarily by new client wins, we took the opportunity to continue to invest in building the operational capacity of the Company and in particular staff."

"We have outperformed the market yet again, with the gross billings of our Australian online advertising businesses increasing by 27% compared to the previous financial year, more than 2 times that of the online advertising market as a whole which increased by 13%<sup>1</sup>. Our traditional media billings increased by 15% on FY'09 compared to an increase of 1% across the market as a whole<sup>2</sup>.

"The financial performance in FY'10 was a testament to the strength of our market leading traditional media and digital businesses which were buoyed by the acquisition of numerous new client accounts during the period. In addition to this, the Group acquired the business of Western Australian media buying agency Starcom Worldwide (WA), which elevated it to the position of Western Australia's largest media buyer, and also acquired the integrated marketing and communications agency Insite Organisation.

"Again, we'd like to thank our dedicated staff, loyal customers and our suppliers who we regard as important partners in our business. The Board and staff remain fully focused on the continued growth and development of our Company and are excited at the opportunities ahead including the proposed scheme of arrangement with Aegis Group plc, one of the world's fastest growing marketing communications groups."

Finally, upon announcing the full year result, Executive Chairman, Mr Harold Mitchell also advised that Mr Stuart Mitchell, Chief Executive Officer, has resumed an active role in the Company by taking on some specific projects during the lead up to the proposed merger with Aegis Group plc.

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

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1- PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – June 2010.  
2- Nielsen Adex excluding Online and Pay TV for the period July 2009 to June 2010.  
3- Subject to the approval of the proposed scheme of arrangement with Aegis Group plc announced on 29 July 2010.