

Mitchells reports double digit growth in revenue, profits and cash flow

Billings and operating cash inflows exceed \$1.15 billion, 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 results for the financial year ended 30 June 2009.

Group Financial Highlights

The results for the financial year ended 30 June 2009, compared to the previous corresponding period (pcp), demonstrate the following highlights:

- ✓ **Gross billings of \$1,158.5 million**, in line with the pcp;
- ✓ **Operating revenues of \$225.2 million**, up 20% on pcp;
- ✓ **EBITDA of \$34.2 million**, up \$3.3 million or 11% on pcp;
- ✓ **Net profit after tax of \$19.3 million**, up 10% on pcp;
- ✓ **Cash surplus (net of debt) of \$3.1 million**;
- ✓ Operating cash flow (pre income taxes and net interest) of \$42.4 million, up \$8.3 million or 24% on the pcp;
- ✓ Basic and diluted earnings per share of 6.6 cents per share, up 5% on pcp; and
- ✓ **Final dividend of 2.1 cents per share**, fully franked, resulting in a full year dividend of 4.0 cents per share, consistent with the Group's stated 60% payout ratio.

Comments

In commenting on the result, Mr Stuart Mitchell, Chief Executive Officer of the Mitchell Communication Group said, "This outstanding result underscores the strength of our company, operationally and financially. We continue to lead the market in innovation, service delivery, client and supplier relationships. Our strategy of diversification and leadership into markets such as full service digital media, and more recently; technology, qualitative and quantitative research, marketing analytics and communication planning ensures that we're not exposed to single sectors of the market but in fact creates the opportunity to grow our range of integrated services, revenues and earnings.

We remain focused on growth and continue to out perform the market. In traditional media in Australia, while the market as a whole contracted 7%¹, our revenues increased by 6%. When it comes to digital media and more specifically online advertising in Australia, we have outperformed the market in the last 12 months by 37%².

We'd like to acknowledge the support of our clients, suppliers and shareholders and the enthusiasm and efforts of our staff. We believe that the company has established an enviable reputation within the industry that has allowed us to deliver these results and look forward with confidence to significant opportunities in the future."

For further details please visit our website www.mitchells.com.au or contact:

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1- Nielsen Adex excluding Online and Pay TV for the period ended July 2008 to June 2009.
2- PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – June 2009.