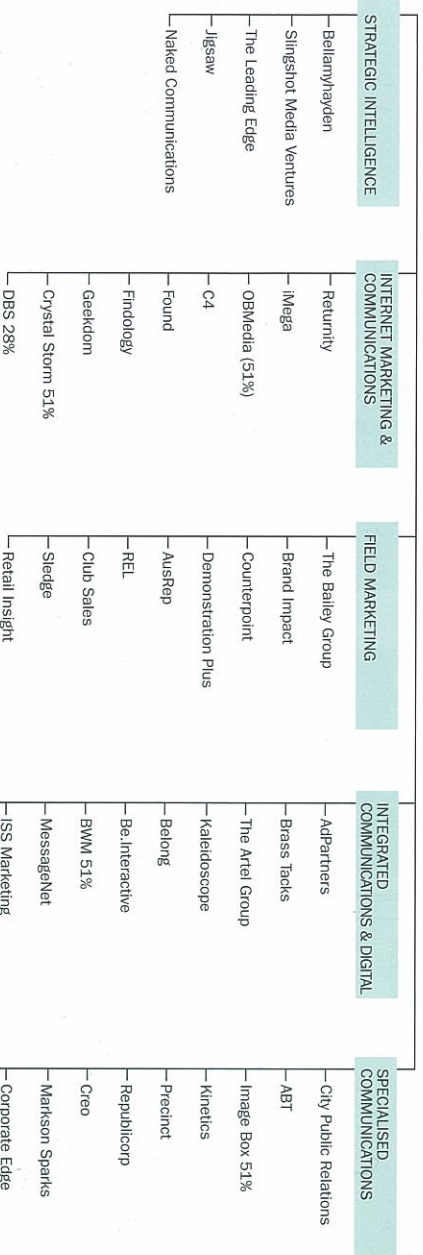


## PHOTON



## PHOTON GROUP

PHOTON SAW ITS SHARE PRICE FALL AND CUT 5% OF ITS WORKFORCE, BUT BMF LED THE WAY AS THE GROUP BOOSTED REVENUE.

**HEAD OF THE CLASS** BMF has been Photon's star buy, winning 66 awards last year, snaring \$62.5 million in new business, and introducing media planning to its services.

**MUST TRY HARDER** Debt levels are of concern for a company that has seen its share price fall more than 80% since January 2008.

**MOST IMPROVED** The Bailey Group has come to the fore with field marketing a strong growth area.

### CASH FLOW

Unhappened by a fall of 80% in its share price since January 2008, Photon reported 40% growth in net revenue for the first half of the 2009 financial year – driven by strong growth in its field marketing, PR and internet marketing divisions.

While Photon reported underlying net profit of \$9.5 million, up 10% from the previous corresponding period, net profit was down to \$5.3 million as a result of writing down the value of its 28% minority holding in internet company Dark Blue Sea.

### SHOPPING BAG

Photon Group's acquisition frenzy slowed after the frantic pace of previous years but not before it acquired Naked in January 2008,

internet start-up Geekdom, Behnertive, City Public Relations and design agency Ross Barr & Associates. Photon sold Republicorp and its 51% share in BCG, closed Public Insight, and rebranded Corporate Edge as Likemind.

### TOUGH LOVE

Poor results and losing the Fairfax Business Media and Tourism Tasmania accounts caught up with Love. Photon merged the agency with AdPartners last month. The decision followed news AdPartners had cemented its relationship with Britex Carpet Care, signing a five-year contract in March. AdPartners also won the account for Satecol Salmon on the back of a campaign for Satecol Tuna that increased sales by 24.3% across its entire range.

### ON A ROLL

BMF and BWM were singled out by Photon chairman Tim Hughes as star performers. In 2008, BMF gained \$62.5 million in new business, increased EBITDA by 48%, won 66 awards and introduced media planning services.

BMF also won the AdNews Direct Agency of the Year award, and its "TED 696 Project" campaign for Lion Nathan was the AdNews Ad Campaign of the Year, while "Ducks" for Goodman Fielder was a finalist.

BWM posted 15% revenue growth and 59% year-on-year profit growth in 2008, and gained \$120 million in billings. New business wins included BigPond Digital and a bigger slice of Telstra, Sanitarium Health Food Company, Simplot and GE Money.

### REINVENTION

Bellamy/hayden's international expansion was halted after its first overseas office, based in Thailand was shut down.

Instead, the specialist media strategy agency launched Slingshot Media Ventures, a specialist marketing investment and activations agency. Steered by former Bellamy/hayden

MD Simon Rutherford, Slingshot will negotiate volume deals with Mitchell Communication Group, and will offer media buying to clients spending between \$1 million and \$7 million. It also offers branded content, media partnerships and revenue share deals.

### JOINING THE DOLE QUEUE

Photon made 129 positions – 5% of its workforce – redundant in the first half of the 2009 financial year, but the most high-profile departure was that of Naked CEO Mar Baxter,

who helped establish Naked in Australia in 2004 before its purchase by Photon.

Derek Leddle stepped down as chairman of Photon's strategic intelligence unit and The Leading Edge, the research agency he launched in 1990, bought by Photon in August 2004. At BWM, strategist Hristos Varouhas left for The Campaign Palace and Andrew Dave joined as managing director of the integrated communications & digital division following the departure of Tony Rowlinson.

### KEKOVICH TOUCH

Mimicking BMF's Meat & Livestock Australia lamb ads, Photon used Sam Kekovich to introduce its 2008 annual report online. "Because today's consumers are in control, the media-neutral, consumer-driven Photon Group is sticking it to the overseas juggernauts," he railed. "They must be suffering in their jocks to be shown how it's done by an overseas company – especially one run by a nuggety ex-South Sydney hooker from Dubbo who's stuck his head into one too many scrums." >



BMF won the AdNews Ad Campaign of the Year award for its "TED 696 Project" work for Lion Nathan.

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