

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

MEDIA TECHNOLOGY GROUP LIMITED

for the year ended 31 March 2008

Preliminary full year report on consolidated results (including the results for the previous corresponding year in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on audited financial statements.

Consolidated Income Statement

for the year ended 31 March 2008

	GROUP	
	2008	2007
	12 months	12 months
	Audited	Audited
	\$000s	\$000s
Continuing Operations		
Operating revenue	4,784	5,571
	=====	=====
Operating loss before taxation	(73)	(804)
Income tax expense/(benefit)	(8)	-
	-----	-----
Operating loss after taxation from continuing operations	(65)	(804)
	-----	-----
Discontinued operations		
Operating deficit after taxation from discontinued operations	(45)	219
Profit on sale of Australian business	811	-
	-----	-----
Profit/(loss) for the period	701	(585)
	=====	=====
Basic earnings per share (cents)	0.86	(0.67)
Basic earnings per share continuing operations (cents)	0.08	(0.92)
Dividends per share	-	-
Expenses included in the Income Statement		
Audit fees	77	43
Bad debts	18	(7)
Depreciation	138	191
Directors' fees	4	38
Rental and operating leases	512	779
Wages & salaries	2,314	3,489

Consolidated Statement of Changes in Equity
for the year ended 31 March 2008

	GROUP	
	2008	2007
	12 months Audited	12 months Audited
	\$000s	\$000s
Equity at beginning of the period	(1,495)	(880)
	-----	-----
Movement in foreign currency translation reserve	209	(30)
Profit/(loss) for the year	701	(585)
	-----	-----
Total recognised income and expenses for the period	910	(615)
	-----	-----
Contributions from owners		
Issue of shares & options	918	-
Buy back of shares	(120)	-
	-----	-----
	798	-
	-----	-----
Equity at end of the period	213	(1,495)
	=====	=====

Consolidated Balance Sheet

as at 31 March 2008

	GROUP	
	2008	2007
	Audited	Audited
	\$000s	\$000s
Equity		
Share capital	5,938	5,140
Foreign currency translation reserve	-	(209)
Accumulated deficit	(5,725)	(6,426)
	-----	-----
Total equity	213	(1,495)
	=====	=====
Current liabilities		
Payables and accruals	713	3,369
Borrowings	693	1,559
	-----	-----
Total current liabilities	1,406	4,928
	-----	-----
Term Liabilities		
Borrowings	142	950
	-----	-----
Total liabilities	1,548	5,878
	-----	-----
Total equity and liabilities	1,761	4,383
	=====	=====
Assets		
Current assets		
Cash and bank balances	13	117
Accounts receivable	582	2,259
Inventory	119	362
	-----	-----
Total current assets	714	2,738
	-----	-----
Non-current assets		
Deferred tax benefit	8	-
Property plant and equipment	239	545
Intangibles	800	1,100
	-----	-----
Total non-current assets	1,047	1,645
	-----	-----
Total assets	1,761	4,383
	=====	=====
Net tangible assets per share (\$'s)	(0.01)	(0.03)

Consolidated Statements of Cash Flows

for the year ended 31 March 2008

	GROUP	
	2008	2007
	12 months Audited	12 months Audited
	\$000s	\$000s
Operating activities		
<i>Cash was provided from:</i>		
Receipts from customers	12,340	18,477
<i>Cash was applied to:</i>		
Payments to suppliers	(10,104)	(13,937)
Payments to employees	(2,239)	(3,736)
Interest paid	(208)	(269)
Rent paid	(462)	(679)
Tax paid	(41)	-
	-----	-----
Net cash applied to operating activities	(714)	(144)
	-----	-----
Investing activities		
<i>Cash was provided from:</i>		
Sale of property, plant and equipment	-	24
<i>Cash was applied to:</i>		
Sale of Australian business	(177)	-
Purchase of property, plant and equipment	(523)	(53)
	-----	-----
Net cash provided from/(applied to) investing activities	(700)	(29)
	-----	-----
Financing activities		
<i>Cash was provided from:</i>		
Issue of ordinary shares	400	-
Proceeds from borrowing	832	-
Advances from Australian business	137	-
<i>Cash was applied to:</i>		
Repayment of borrowings	(59)	(148)
	-----	-----
Net cash provided from financing activities	1,310	(148)
	-----	-----
Net increase/(decrease) in cash held	(104)	(321)
Cash at beginning of period	117	438
	-----	-----
Cash at end of period	13	117
	=====	=====
Composition of cash:		
Cash and bank balances	13	117
	=====	=====

Comments of Directors

Changes in accounting policies

There have been no changes in accounting policies since the previous period

Critical judgements in applying accounting policies

Goodwill on consolidation amounted to \$0.8m. The directors have reviewed the valuation of goodwill and consider there has been no impairment in the goodwill.

Tax benefits amounting to \$8,000 have been recognised. The directors consider that this asset should be recognised as the benefits should be crystallised in the next financial year.

The going concern basis has been adopted in the preparation of the financial statements. The directors consider it appropriate to adopt the going concern basis as they are of the opinion that adequate funding will be available for the forthcoming year to enable the Group to meet its obligations as and when they fall due.

Results

The company operates solely in the Digital Media industry

During the year the company sold its' Australian business. The results for the year ended 31 March 2008 include 8 months of trading for the Australian business and the profit on sale of that discontinued business. The results of that business are shown under discontinued activities in the profit & loss statement. The comparative results have been restated to show the results of the continuing and discontinued operations separately.

For the 12 months ended 31 March 2008 the Group's revenue was \$12.5 million, being \$4.8 million from the continuing NZ business for the 12 months (compared to \$5.6 million for the same business the previous year) and \$7.7m revenue for 8 months from the Australian business.

The net profit after tax of \$701,000 for the Group for the year ended 31 March 2008 (previous year deficit of \$585,000) includes \$811,000 profit on sale of the Australian business and is after deducting depreciation of \$138,000 and finance costs of \$208,000

Restructuring has removed significant corporate costs, associated with the former Group CEO's office, and the NZ business operating costs have been further streamlined to achieve greater efficiency in line with the lower revenue. For the second half of the year the NZ operations produced an EBITDA of \$200,000 on revenue of \$2.5 million, a significant improvement over the first half (loss of \$85,000) and over same period last year.

Since balance date the Group purchased the assets and business of Geerlings Offset Print Limited, for \$1.1million, following approval of the transaction by a special general meeting of shareholders on 15 May. The consideration included the issue of 6,666,667 ordinary shares at an issue price of 3 cents per share, with the balance of the purchase price payable in cash. Additional finance of \$700,000, secured against the printing assets acquired and vendor finance of \$270,000 payable over 18 months meant the Group did not need to use any of its existing working capital or finance facilities to settle the acquisition.

This full year report was approved by resolution of the Board of Directors dated 12 June 2008.



Chairman

12 June 2008