



ASX ANNOUNCEMENT

For Immediate Release

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mcm entertainment group limited (ASX: MEG) earnings guidance

The Board of *mcm entertainment group ltd* (ASX: MEG) advise that the recent softening and short term buying nature of the national advertising market in this quarter (April – June 2008), means the company is unlikely to achieve its budgeted FY 2008 NPAT of \$455,000. Full year revenue is also expected to be down by approximately 10% on FY2008 budget as a result of the above.

Whilst management has instigated material and prudent cost cutting measures, it is difficult to predict the impact that national advertising sales will have on final revenue and NPAT over the remaining 9 week period of the financial year. Based on current forward actual sales and expected prospective sales, the company is likely to achieve NPAT of between break even and up to \$250,000. If market conditions weaken further, this is likely to further affect NPAT.

The underlying fundamentals of the business remain strong. However, like most media businesses, *mcm entertainment group ltd* is susceptible to major downturns in national advertising spend. With the weakening of the advertising market in the 4th quarter, *mcm entertainment group ltd* has moved swiftly to cut back all costs where it can without undermining the strong growth opportunities the company has in digital media and traditional media. These cost cutting measures are expected to enhance the company's performance in FY2009.

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about mcm entertainment

mcm entertainment is one of Australia's most innovative media entertainment groups. With an expertise in music and entertainment media production, mcm creates advertiser driven properties across traditional and new media platforms.

mcm is renowned for its nationally syndicated radio brands including *Take 40 Australia*®, *The Hot Hits*®, *Planet Rock*®, *My Generation*® and *The Jonathan Coleman Experience*.

The group also publishes several of the nation's top rating music entertainment websites, including *take40.com* and *thehothits.com*.

mcm entertainment has developed and produced several television series, including *Live at The Chapel*® and *Take 40 Live Lounge*®.

mcm supplies programming to hundreds of radio stations, free to air and subscription TV networks as well as publishing its own internet and mobile content.