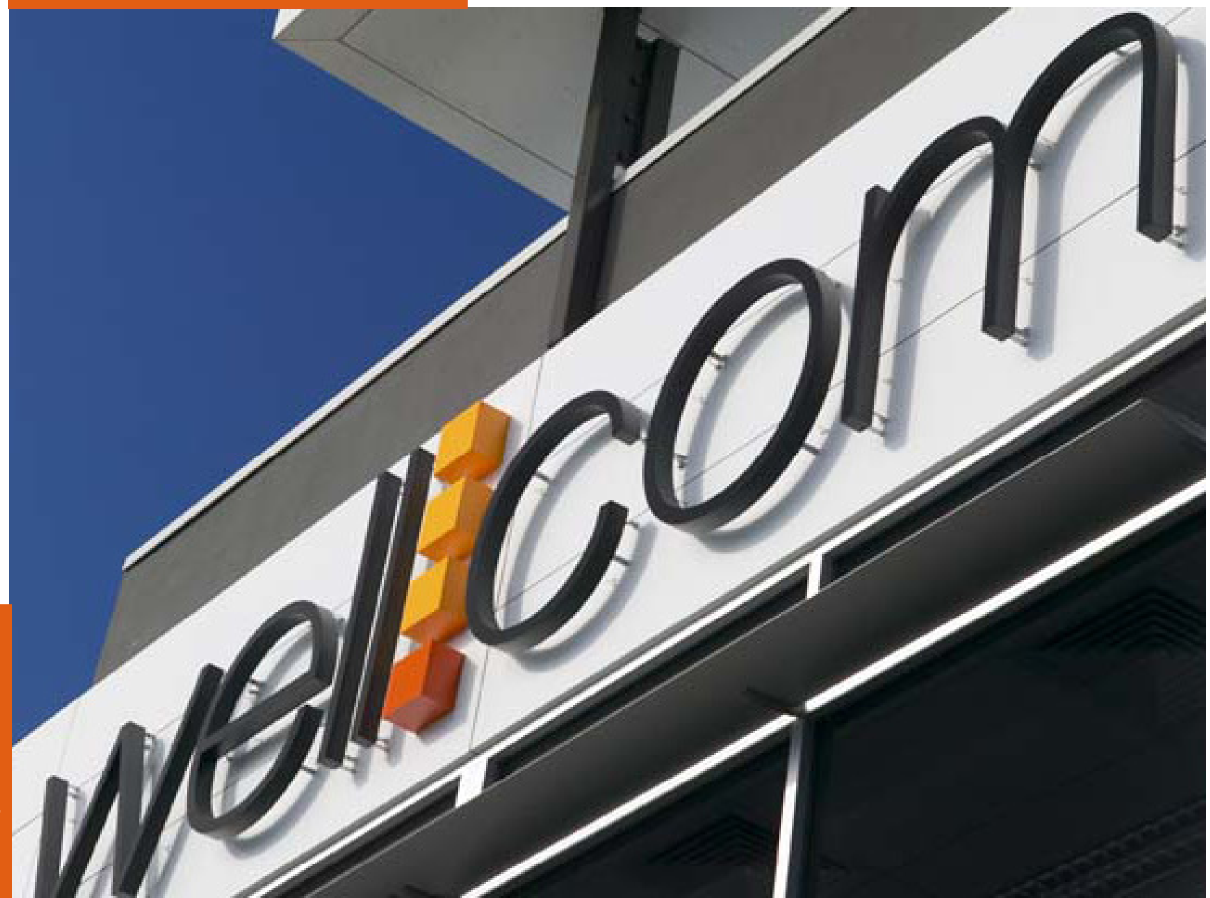
Wellcom Group Limited

Results



3 September 2007

FY07

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Highlights

- EBITDA growth of 17% - ahead of expectations
- Strong top line momentum
- Encouraging organic growth
- Significant new contract gains
- Active acquisition programme augmenting growth
- Strong financial position from which to pursue growth
- Positive FY08 outlook

Key Results

	FY07 $m	FY06 $m	Change %
Revenue	53.14	33.96	+56.5
EBITDA	11.66	9.94	+17.4
EBIT	8.13	7.35	+10.6
Net Profit After Tax	5.82	5.53	+5.3
	¢	¢	
EPS	14.86	14.42	+3.1
EPS Excl. Amortisation	16.70	16.66	+0.2
DPS	11.00	10.00	+10.0
Franking	100%	50%	

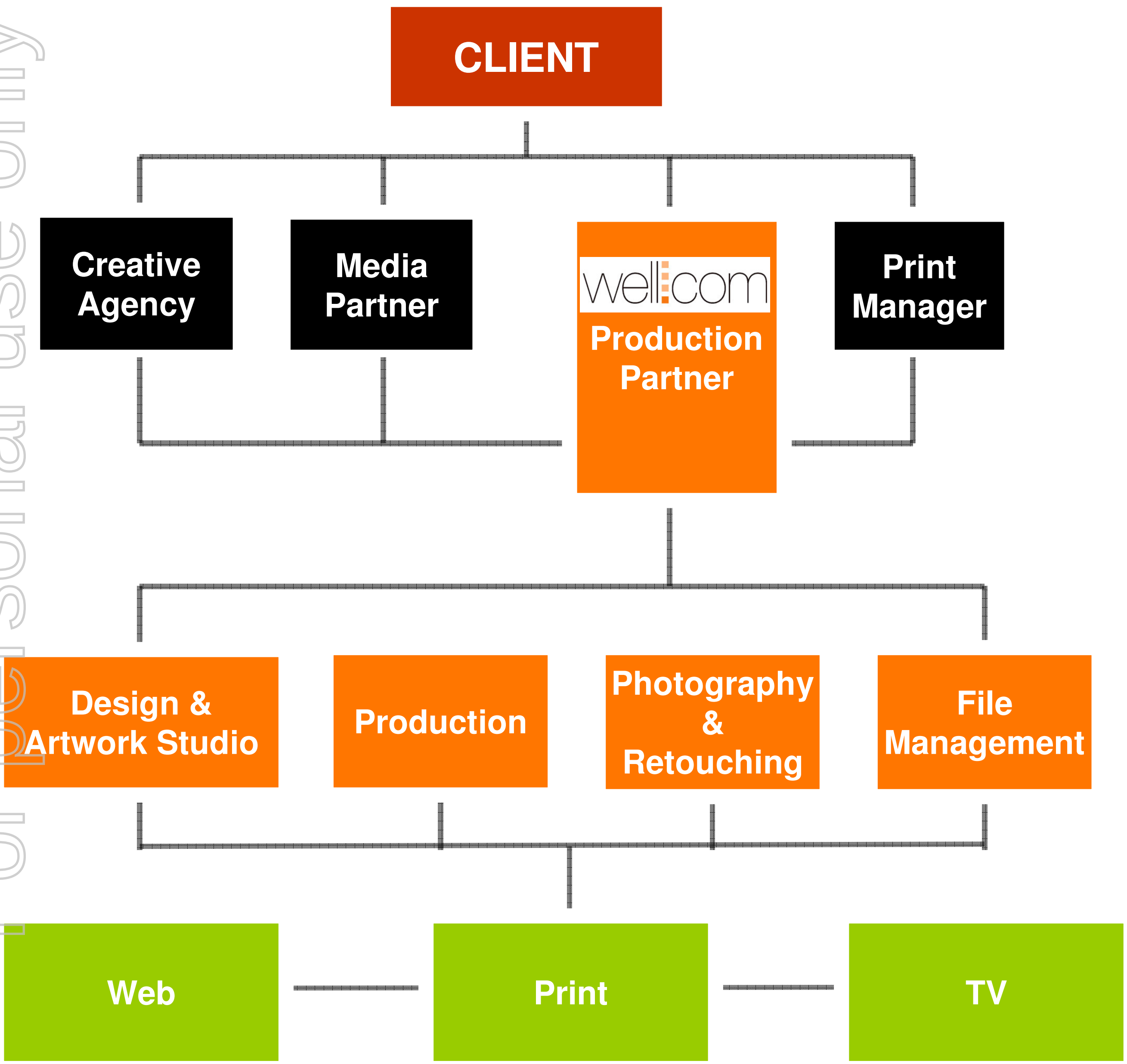
Strategy

- Focus on content development and management, directed at all media outlets
- Targeting growth in direct corporate and retail sectors
- Commitment to new products and services
- Ongoing investment in leading edge technology, including Knowledgewell proprietary software
- Leverage and growth of blue chip customer base
- Pursuit of synergistic acquisitions – geographical and/or product complementarity

Market Conditions and Trends

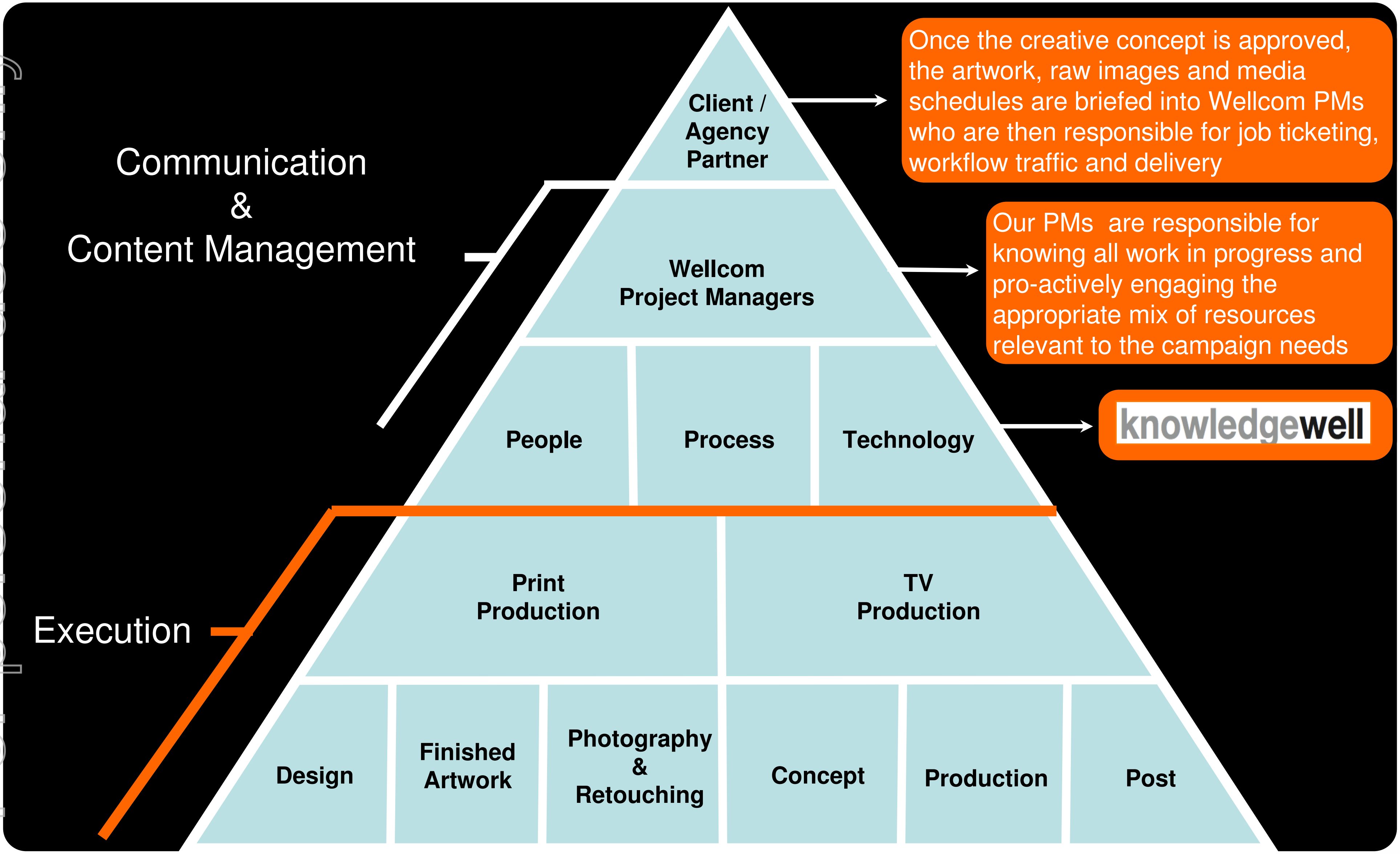
- Positive retail climate persists – further growth in catalogue volumes
- Corporate trend towards in-house marketing - presents significant opportunity
- Reduced significance of advertising agencies
- Wellcom's strategy reflects these trends

Our Model



- Our clients are differentiating between Creative / Strategy and Design & Execution
- The Agency partner is engaged to develop creative concepts and brand strategy, with remuneration linked to generation of new ideas
- **The evolution and execution of these ideas is then managed by Wellcom**

Our Approach



Total Facilities Management

- Total facilities management (TFM) service concept gaining further acceptance - 15 hubs now in operation
- TFM concept accounted for 45% of revenue (excluding Cadillac) in FY07, and provides:
  - Delivery of superior value-add services
  - Stronger customer relationships
  - Optimisation of up-sell or cross-sell opportunities
  - Certainty and regularity of income
- Pacific Brands agreement successfully rolled out across five locations and 50 brands

New Business

- Westpac – TFM contract, managing Kent Street hub for design, digital asset management and pre-media services
- BWS (Woolworths Liquor) – pre-media, catalogue building and asset management services
- Danks Home Hardware – digital asset management services
- BP Australia - design, digital asset management and pre-media services
- Repco Corporation – design, photography and pre-media production, plus digital asset management

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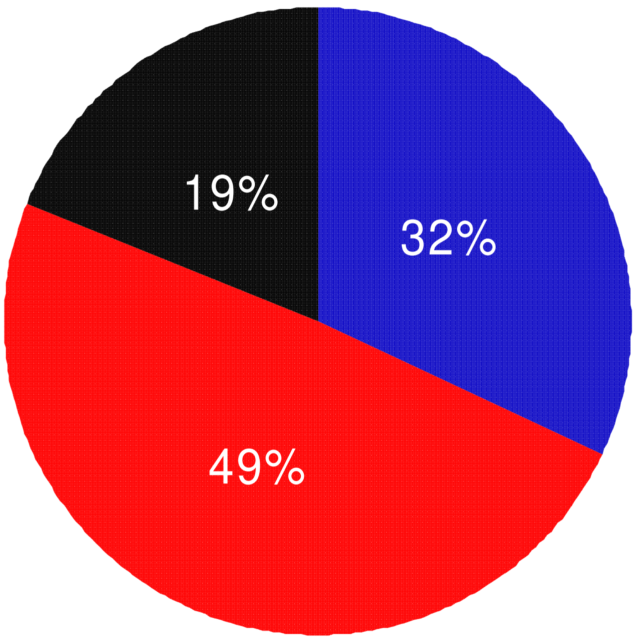
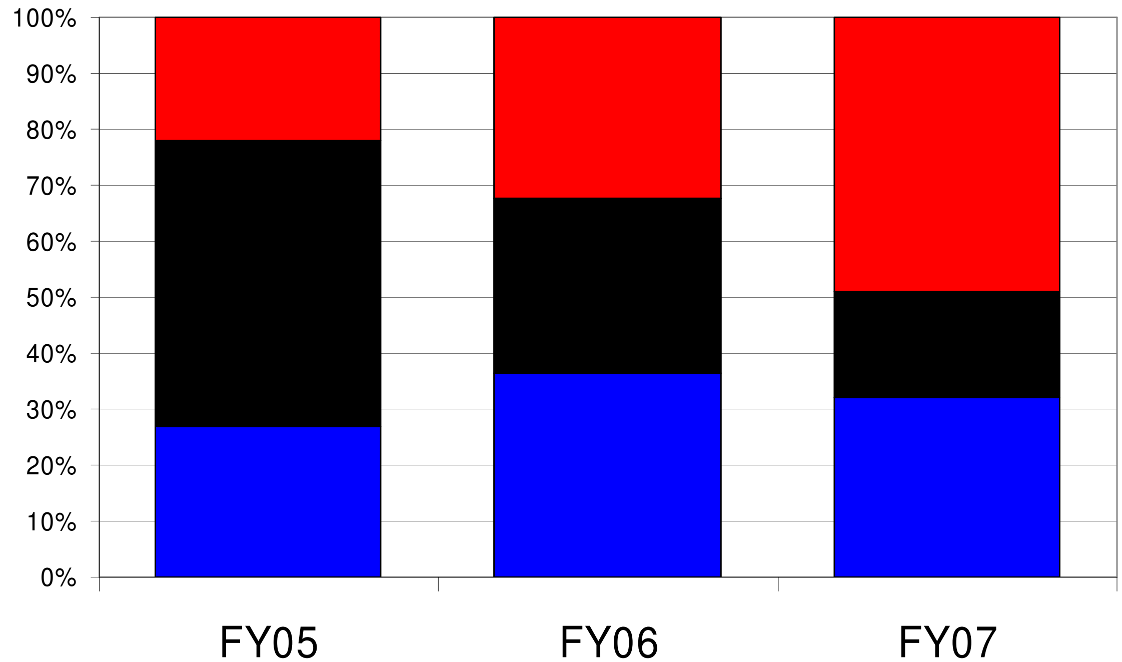
Acquisitions

- Synergistic acquisition strategy
  - Geographical extension of existing capabilities
  - Expansion into complementary business areas
  - Cross-selling opportunities into existing client base
- Three acquisitions concluded in FY07
  - Digital House (premium computer to plate (CTP) offering) – very strong performance, including early cross-sell success (iPrint)
  - Image Studios (pre-media) – establishes presence in Brisbane market, performed in line with expectations
  - Cadillac Printing (50%) (niche web printer) – slightly disappointing performance, addressed by recent restructuring

Revenue Mix

FY07 Revenue





■ Retail ■ Corporate ■ Agency

Blue Chip Client Base

DAVID JONES

'The Fresh Food People' WOOLWORTHS

SUNCORP

PACIFIC BRANDS

api

AUSTRALIA POST

hs Harris Scarfe

'yes' OPTUS

Cadbury Schweppes

TOYS"R"US

DICK SMITH ELECTRONICS

ANZ

L'ORÉAL PARIS

transurban

Westpac

MITRE 10

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Detailed Results

	FY07 $m	FY06 $m	Change %
Revenue	53.14	33.96	+56.5
EBITDA (incl. iPrint)	11.66	9.94	+17.4
*Underlying EBITDA Margin**	*26%*	*28%*	
Depreciation & Amortisation	(3.53)	(2.58)	+36.8
EBIT	8.13	7.35	+10.6
EBIT Margin	*15%*	*22%*	
Net Interest	(0.25)	0.17	
Net Profit Before Tax	**7.88**	**7.52**	**+4.8**
Taxation / Minority	(2.06)	(1.99)	
Net Profit After Tax	**5.82**	**5.53**	**+5.3**

* Excludes iPrint and Cadillac Printing

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Results Features

- Revenue growth driven by blend of organic growth (+12%) and acquisitions
- Result distorted by first-time inclusion of Cadillac Printing – slightly disappointing small loss on revenue of $9.6m
- Underlying margins broadly maintained, despite Pacific Brands set-up costs
- Strong performance in seasonally weaker second half
- Significant increase in equity-accounted contribution from iPrint, to $0.88m (+67%)
- Tax rate of 29% inflated by prior year underprovision

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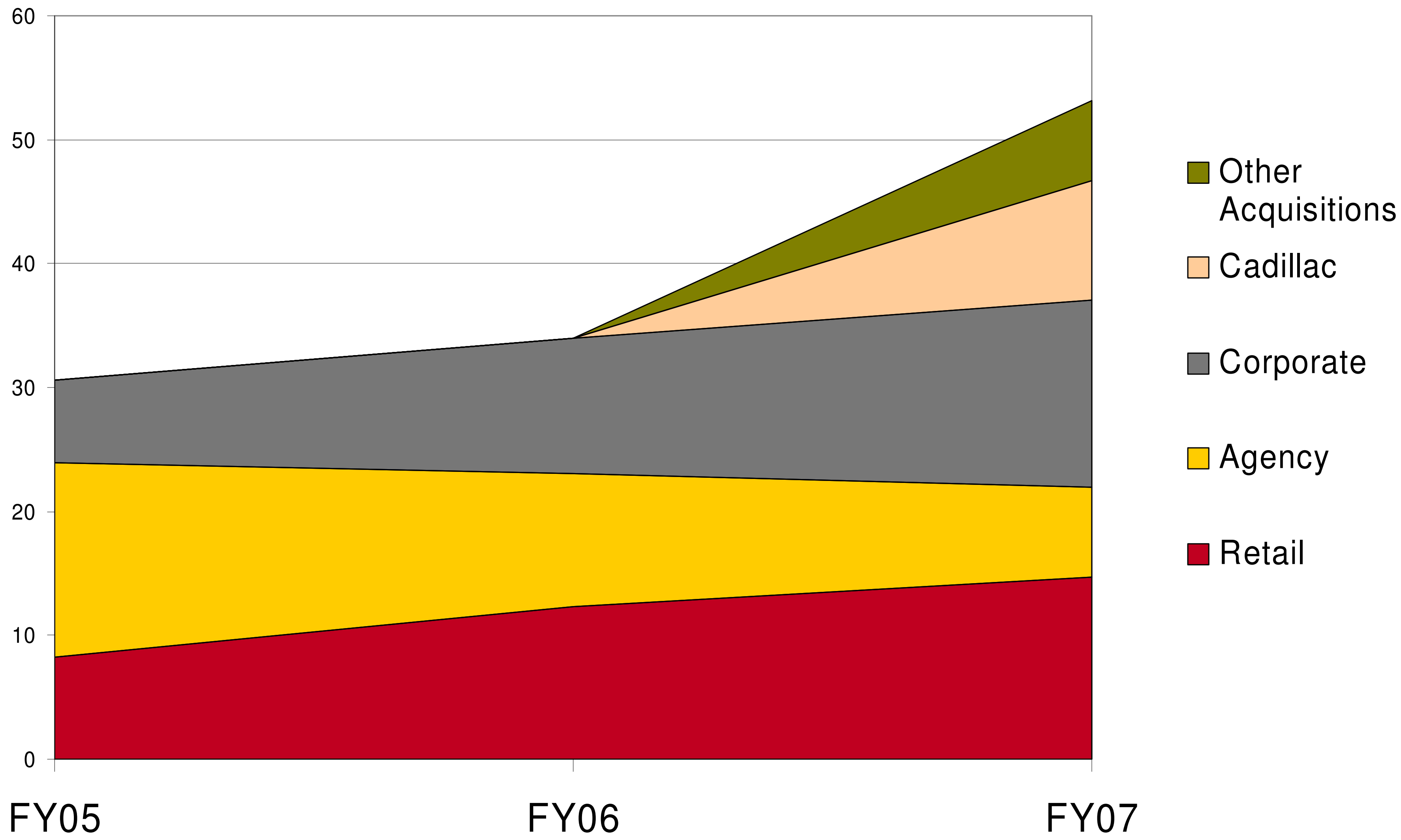
Revenue Composition



Key Ratios

	FY07	FY06	Change
	¢	¢	%
EPS	14.86	14.42	+3.1
EPS Excl. Amortisation	16.70	16.66	+0.2
DPS	11.00	10.00	+10.0
	%	%	
Return On Net Assets (RONA)	12.9	13.2	
RONA Excl. Intangibles	34.6	33.1	
Dividend Payout Ratio	74.0	70.8	
Franking	100	50	

Strong Financial Position

	FY07 $m	FY06 $m	Change %
Operating Cash Flow	7.15	3.78	+89
Capital Expenditure	3.64	2.28	+59
Acquisitions	5.43	1.02	+434
Net Debt / (Cash)	5.19	(6.49)	
Gearing (Net Debt:Equity) (%)	11.5	(15.5)	
NTA Per Share (¢)	42.95	42.65	+1

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Outlook

- Targeting FY08 EBITDA growth of 10-15%, sourced from:
  - Organic growth from existing customers
  - Recent and new contractual gains
  - Full year's input from recent acquisitions
  - Improved performance from restructured Cadillac Printing
- Strong platform for long term growth

Summary

- Better than expected FY07 EBITDA outcome
- Strong top line momentum, from both organic and acquisitive sources
- Favourable trends in target corporate and retail sectors
- Increased acceptance of value-adding TFM concept
- Blue chip client base bolstered by recent contract gains
- Strong financial position from which to pursue growth
- Targeting strong growth in FY08

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