



WELLCOM GROUP ACQUIRES UK PRE-MEDIA SERVICES COMPANY

10 SEPTEMBER 2007

Wellcom Group Limited (Wellcom) (ASX: WLL), a leading provider of pre-media and digital asset management services primarily to Australian corporations and retailers, announces the acquisition of Keene Repro Limited (Keenes), a London-based pre-media service provider. Total consideration is approximately \$10 million (£4.2 million), and completion is expected on 1 October 2007.

Keenes was established in 1970 and supplies a wide range of pre-media solutions to advertising agencies, retailers and corporates in the UK market. Annual turnover is now greater than £5 million (\$12 million) and has grown steadily, with a top drawer client base that includes Harlequin Mills & Boon, GAP Inc., Sony, HSBC, Harrods and DKNY. Since April 2005, Keenes has also worked with Omnicon Group subsidiary Redwood, a dedicated customer publishing agency, to service a range of blue chip clients.

"Keenes is a strong fit with our existing business, given the similarity of our service offers and target markets," said Mr Wayne Sidwell, Chairman and Chief Executive Officer of Wellcom. "The acquisition creates the opportunity for the introduction of our successful Total Facilities Management (TFM) concept to the UK market. In addition, Keenes gives Wellcom direct exposure to the multinational brands headquartered in the UK, as we seek increased market penetration for our industry-leading Knowledgewell proprietary software."

The acquisition will be debt-funded. After allowance for net cash of nearly \$3 million contained within the Keenes business, the purchase price equates to an EBITDA multiple of approximately 3.5 times, which is in line with Wellcom's established investment criteria. The acquisition is expected to be modestly EPS-accretive in FY08.

After its acquisition of Keenes, Wellcom will retain a conservatively geared balance sheet, with a net debt to equity ratio below 40% and annualised interest cover at the EBITDA level approaching 10 times.

"We have expressed an interest in extending our geographical reach beyond Australia for some time. After careful consideration of the opportunities available, we believe we have found, in Keenes, a strong base from which to establish a meaningful presence in the European market and one which offers real synergistic growth opportunities for our existing Australian-based business," concluded Mr Sidwell.

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About Wellcom Group

Wellcom is a full service pre-media and print production services company providing pre-media, digital asset management and specialty print solutions to corporations and advertising agencies, including some of Australia's leading retailers. Founded in 2000, the Company was listed on ASX in July 2005. Wellcom is headquartered in Melbourne with offices in Sydney, Brisbane and Adelaide.

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