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report

Welcome to the 2007 Wellcom Annual General Meeting.

I am Wayne Sidwell, Executive Chairman of the Wellcom Group.

Again it gives me pleasure to introduce my fellow board members to you.

Mr Charles Anzarut and

Mr Kerry Smith

I would also like to introduce our company auditor Mr David Nairn, Partner of HLB Mann Judd.

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2007 has been a very big year in every respect.

I'm very pleased to announce that we are now a global player with our new business acquisition in the UK and in the near future, New Zealand. But more of that later.

I am also pleased to say that new blue chip business has been won and will result I believe, in further and significant growth to the Wellcom business.

In our view, it's been an excellent year and the financial highlights look like this:

- Revenue up 56.0% to \$53.14million.
- Earnings before interest, tax, depreciation and amortisation up 17% to \$11.66 million.
- Earnings before interest and tax up 11% to \$8.13 million.
- Profit after tax up 5% to \$5.82 million.

- Earnings per share
14.86 cents per share

- Significantly, a 100% fully franked final dividend of
6 cents per share has been paid bringing total
dividends for the year to 11 cents per share,
a payout ratio of 74%.

- Net operating cash flow
\$7.1 million for the year ended June 30 2007

- Net asset position of
\$45.14 million as at 30 June 2007

As mentioned, in terms of revenue we recorded over 56% growth in the 2007 financial year.

This included organic growth of over 12%, and sales advances in all state operations.

Last year I said that 2007 was going to be an exciting and challenging time – and indeed it was.

Here at Wellcom we love the challenge.

In our seven years of operation, we have been constantly challenged.

Whether it be the challenge of starting a new business from ground zero in 2000 – and to growing it to over 370 people today

OR

re-inventing the way we process manage workflow through the industry's foremost proprietary software, Knowledgewell

OR

taking Wellcom out into the public arena in order to grow and globalise our business

.. all of these things .. have seen us constantly meet the challenges ...

Last year I informed you that all Wellcom senior managers had participated in a strategic planning forum – from this the strategic development plan for 2007 was envisaged – this had set the approach for the business moving forward.

The challenge I gave myself (and my senior management) was to deliver on the 2007 strategic plan and we have done this.

But – the challenge is to constantly lift the bar – we examine – we question – we re-assess – we implement – we improve.

This is the real challenge for Wellcom – and I think you will be pleased with what we have achieved during these last twelve months.

I will now outline the strategies we put in place in 2006.

It's important to note that these have now become the foundation stones for 2007 and beyond.

This has been a key performance consolidation year – one that sets the direction that the company will take – not just in the short term, but well into the future.

These include:

The sustainability of principal accounts – accounts including Woolworths, David Jones, Harris Scarfe, Toys R Us, API, Pacific Brands and Dick Smith Electronics, ANZ Bank and Australia Post.

These accounts are tracking well – and I’m delighted to see these same clients taking up more Wellcom services – services that were beyond those originally contracted for.

As a result strong organic growth has been achieved.

It’s a good steady increase – and it’s important because increased revenue from organic business adds minimal cost to our business.

Significant and high profile new business has also been brought online.

It’s equally pleasing to say that BP Australia and Repco were secured in Melbourne.

We welcome them to the fold with total facilities management contracts.

Last year I said we would continue to look for synergistic acquisitions.

I stated at the time that the benefits were and are considerable.

- Firstly it reduces risk, as we already understand the industry model.
- Secondly, each of the enterprises is in harmony with our current core business
- Thirdly, it's is a logical extension to our existing services.

It was therefore an obvious decision to attach Computer To Plate or CTP to our pre media in Melbourne – it simply extended the sell to the next level.

- Finally, once Wellcom technologies and infrastructure are applied to acquisition, improvement is assured.

Thus the CTP acquisition of Digital House has been a success in itself.

Just as CTP was a natural services extension to pre media, so too is taking our services to the next level and moving into niche, specialised print.

Specialised, niche print is not new to us.

We have already established digital and large format print in Sydney and Melbourne – and, extended it along with sheet fed print out of our Brisbane operation.

These service offerings have not required specialist sales teams and we've used our existing resources – therefore cost to sales has not increased.

Added to this is the fact that we have a mature, retentive client base, to supply new products and services to.

Thus it brings me to our next acquisition to the Wellcom armoury – long run web print through Cadillac printing in Adelaide.

This is an extension to our now successful CTP offering – it's the next step in the process chain based on the following criteria:

- Retail catalogues are our key business.

- We create the design, artwork and the pre media for all our core client catalogues already.
- We produce CTP for catalogues
- The demand for web print has increased yearly over the past sixteen years.
- Being niche means we can address the increased demand for catalogue printing – a demand where flexibility is all important.
- We have already attached a CTP business to the web print business.
- We can send digital files from Wellcom Sydney, Brisbane, Melbourne or Adelaide directly to the Cadillac/Wellcom CTP business.
- We already have existing clients take up the offer based on our flexibility and responsiveness.

Previously I announced that the hottest growth sector in the print market today is short run digital print, particularly personalised and targeted printing.

We had identified the need for this service and moved quickly to offer a highly competitive product offering nationally.

Again, business is coming from existing clients such as ANZ Bank and Australia Post to name a few – and just as importantly, through the current sales force.

On the screen above and while you're listening to me, you will see just a small snippet of our video and TVC post production work.

This is exciting work for our business....

Moving Images sits at the other end of the graphic services spectrum, we have (again) sold-in this service to existing clients – with what can be described as amazing quality – combined with some impressive creative input.

We have spread this service over three states.

With Wellcom Moving Images operations in Adelaide, Melbourne and Sydney.

The results coming out of each of these production facilities represents work of equal quality.

With such clients as Harris Scarfe, Dick Smith and Pacific Brands, it proves we are in the right space.

It's time to talk technology.

And entering our seventh year in the technology space, I'm referring to our technology engine *Knowledgewell*, the deliverer of everything digital.

Knowledgewell delivers our WOW factor – and it's been further refined for 2007.

We believe this software leads the graphic arts industry in terms of service delivery, functionality and usability.

I want to take a minute to talk about organic growth.

I've shared with you our acquisition policy – and there's more on this coming up ... but what I want to reveal to you is where we have come in terms of service offerings.

We refer to it simply as what it is – the Wellcom DNA.

Our products and service offerings have grown to over thirty key services.

It's only when you study the DNA that you can see how organic growth has contributed to our increased revenue – all neatly wrapped into a very well rounded offering.

Organic growth has not happened through osmosis – on the contrary – it's been carefully planned, seeded and nurtured.

Earlier this year at the senior management conference – all managers presented their business plans which were scrutinised by all members and discussed – all managers are held accountable for these moving forward.

At the conference I published the Wellcom product DNA chart – it demonstrated to the management team the opportunities for cross-sell and upsell.

By observing those products that clients currently buy and then overlaying what they don't buy, immediately created it's own sales strategy.

This screen shows our core range of services that rounds off the total solutions offering.

If I had shown you this two years ago, it would represent considerably less than you see here today.

It tells us that existing clients who have trusted us in the traditonal service areas – are now willing to trust us in new areas such as TVC Moving Images, online, print and CTP.

This is what makes me happy – seeing clients like:

Harris Scarfe

Dick Smith Electronics

and **Pacific Brands** using our video and post production services

– seeing clients like:

Toys R Us

Optus

Australia Post

Woolworths and **Dick Smith Electronics** using our specialised print services

And seeing companies like:

ANZ Bank

Australia Post

Toys R Us using our online, web banner and web asset creative services.

All in all, the service offering is not only getting better, it's increasing at the same time.

This keeps Wellcom at the forefront of the industry.

Let's now go off-shore.

We have painstakingly explored overseas opportunities for some years.

Our due diligence as to off-shore acquisition has been exhaustive.

Risk management – management reporting – market factors – current and future viability – all of these have been placed into our modelling equation – resulting in a stringent selection criteria audit.

But having successfully run every permutation as to viability for a successful acquisition I'm very proud to announce our first off-shore acquisition – Keenes Repro in London.

Why Keenes?

Because it was ripe for a friendly take-over.

Family owned business for over 30 years – always and currently profitable – strong management history – retentive and contracted management – one that will move forward under Wellcom.

It's a model we know so well – a true pre media business. A strong company – a company with a loyal clientelle – a company with integrity.

Keene's will benefit from our Knowledgwell technology – they were ready for a Wellcom 'make-over' – they required our technologies and workflows.

Location – central London – safe politically and economically – heart of one of the world’s largest adland landscapes – very strong adland clientelle – **importantly** – heart of some of the world’s biggest corporations and head offices.

And we have the model for corporate businesses in the Total Facilities Management Hubs.

It won’t stop there.

This is our entree to Europe.

With our I.P, workflow and Hubs ... in combination with Keene’s client list and potential expansion ... I believe we have entered a very strong market ... and a new era. And there’s more....

We are also currently planning in collaboration with some existing clients, a determination for their off-shore needs and aspirations.

More importantly this gives us some insight into what our clients’ plans are and at the same time offers ways and means to plan what we want to do.

This establishes the territory as to what we should be looking for – who our partners should be – and how to find these partners.

We're not committed to any specific market over any other market – and while off-shore is exciting and the challenges remain – we know at the end of the day we're taking very careful aim at only the best options.

I'm also very happy to announce that Wellcom has won the Repco Australia and New Zealand business.

I always believe success breeds success and we no sooner won Repco when Pacific Brands asked us to setup an Auckland operation as well.

And now - New Business

New business is always a highlight to announce.

In line with our policy of pursuing blue chip – big end of town corporates . . . I proudly announce and welcome to our list:

Westpac

- Total Facilities Management (or Hub services) package

Danks

- Total Digital Assets Management package

BWS – Woolworths Liquor Division

- Total Facilities Management (or Hub services) package

BP Australia

- Total Facilities Management (or Hub services) package

Repcos Australia and New Zealand

- Total Facilities Management (or Hub services) package

Our new business focus has again been a highlight.

Our 2007 Review

Advertising Agencies

The traditional business generated out of advertising agencies again has declined.

Paradoxically, our relationship with advertising agencies as joint venture partners or just business partners has never been stronger.

These business alliances still represent some of our best and most consistent work.

Direct Corporate Market

This market is becoming stronger.

We won BP Australia and Repco Australia and New Zealand business, plus extending Pacific Brands to New Zealand.

As I stated earlier we will open our Auckland office with two blue chip accounts.

Sydney corporate as predicted is developing very well.

Retail

It never fails to amaze me just how important retail is.

Whether the market is bouyant or floundering, the money is always found for retail catalogue advertising.

As with all our retail clients in Melbourne, Sydney, Brisbane and Adelaide, all are busy.

We continue to grow and nurture all our client relationships.

iPrint

iPrint has enjoyed a most rewarding year. iPrint is our joint venture with partner Australia Post.

I'm happy to announce an increase of over 60% of equity-accounted earnings over the previous year.

This is an excellent result and it will do even better with the cross-sell offering of print services into Pacific Brands in 2007 – 2008.

Cadillac Printing

Another joint venture with a revenue contribution around \$9 million – Cadillac is only just beginning to come online under the Wellcom umbrella.

With flow-on cross-sell opportunities from the Wellcom eastern states, more direct blue chip business should be provided by Cadillac.

Cadillac has undergone a management and sales re-structure offering a new focus for the business.

With a Wellcom CTP business located next door to Cadillac, the CTP component adds yet another service offering.

Digital House

I have mentioned CTP and digital printing earlier and now refer specifically to Digital House in Melbourne and Wellcom CTP and digital print services in Adelaide and Image Studios in Brisbane.

Digital House was purchased in September last year.

It has been a highly successful acquisition with a vibrant, energetic and enthusiastic team.

Image Studios

Again one of last year's acquisitions, this company advanced our move into the Brisbane marketplace.

Already well credentialled in Brisbane, we have added Knowledgewell and Wellcom process management and workflows.

This is a growth market where opportunities abound through a burgeoning corporate and retail environment.

Looking to 2008 – the Next Challenge

I opened today's proceedings by saying that challenges best represent the Wellcom way of doing business.

We are continually challenged – we continually challenge ourselves.

The groundwork for 2008 has been done. The challenge now is to seize the opportunity we have before us.

Here are the steps we have made to meet the challenge.

Firstly a senior management restructure

Business's change.

We're no longer just local – we're now global – therefore this has to be reflected in our management structure.

Two key strategic roles have been created and have now been filled from within.

They are the positions of Chief Operations Officer and New Business Development Manager.

Both appointees are very experienced and have been prime movers in the growth of our business.

Change was necessary in line with the growth of the business moving into 2008 and beyond – and the shift has to incorporate the new off-shore paradigm.

Change is good.

Management re-structure decisions are not made in isolation.

Both appointees felt they could add further value to the business and I am pleased to announce that Steve Rees has been appointed to the position of Chief Operations Officer.

Steve was previously GM Wellcom Adelaide.

His extensive knowledge of the industry and our business is well known.

He has previously worked in the Sydney and Melbourne marketplaces in the capacity of a CEO.

The board welcomes Steve to his new position.

We are also delighted to announce that Michael Bettridge has been appointed to the position of New Business and Strategy Development Manager.

Up until now new business development was the responsibility of all state managers – in today’s market, we realise that a dedicated resource is needed to manage this extremely important position.

He has excelled in this role previously in the capacity of General Manager – Wellcom Sydney.

He will be planning future strategies and taking new business from sales opportunities to sales conversions – Mick has a fine record already in this very valuable and responsible facet of the business.

Again the board welcomes Mick to this new position.

The first challenges rest with our new appointees and I know they will be equal to the challenges ahead.

Business Report for 2007

The focus remained on our more lucrative turnkey solutions – with TFMs or Total Facilities Management highest on the agenda.

These hubs maximise our total service delivery – they have opened opportunities to cross sell pre media, CTP, print, video and online.

Both Repco and now Pack Brands, launches Wellcom into the New Zealand marketplace – this is the best way to enter a new market and there are many other corporates who seek a Tasman connection.

To open a new business anywhere comes with risk, but when you do it hand in hand with client partners, it makes the whole setup that much easier.

From day one, the Wellcom business philosophy has been promoted through client trust – and it is high trust indeed to have clients want us to offer off-shore tailored solutions for them.

I hinted earlier about our data storage repository service. In early 2007 we won a new business opportunity with Danks.

While on the surface it's another piece of new business, below the surface it's actually more than this – it represents another core offering with very little cost based on the fully funded Knowledgewell system – it puts Knowledgewell into a bona fide service offering in its own right.

iPrint has surpassed revenue and profit expectations and this business will enjoy further growth and offer valuable contributions to our bottom line.

The combination of Wellcom and iPrint has been a real success with Pacific Brands and this will grow further I believe.

We have launched off-shore.

Our State Operations have offered strong and consistent contributions and it is a credit to the state managers, for their assistance in both client retention, and new business growth.

In summary we have realised all our objectives for 2007.

We have focused on:

- senior management restructure to accommodate changes in the marketplace and off-shore
- successful new business acquisition
- off-shore launch
- selling *Knowledgewell* as a product in itself
- successfully cross-selling and upselling Wellcom products and services to existing clients
- successfully integrated the new services of CTP, video and digital print into core Wellcom business

For 2008 we will:

- use the new business development position to drive and win new business
- consolidate UK and New Zealand
- further explore other off-shore options
- pursue further synergistic acquisitions
- continue the cross-sell/upsell
- add strategies aimed at maintaining all current business relationships

Our existing retail clients say that 2008 will be a buoyant market – we know that even if there should be a softening in retail market demand, it doesn't typically equate to decreases in spend from Wellcom's perspective – on the contrary, it can even lead to an upspend.

The corporate business sector is a wealth of potential and this new position gives testament to the value I put on this market and our commitment to win new corporate business.

We are carefully monitoring Asia – we have existing and potential clients asking for service solutions in Asia – we are studying these presently – **but** we hasten slowly.

Looking at this year’s performance based on client retention, new business and acquisition, the core elements of our strategy are well defined and will continue.

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We now commence the formal part of the meeting:

But before we start I would like to formally acknowledge the resignation of Ms Katrina Rominan from the Board.

Katrina has been a dedicated and tireless board member as well as Wellcom's CFO.

Katrina left us to have her first child.

On behalf of the board and management of Wellcom Limited, I sincerely thank Katrina for all her effort over the last three years.

I now ask you to receive and consider the reports of the Directors and the Auditor, and the financial statements for the year ended 30 June 2007 for the Company, and its controlled entities.

Are there any shareholder questions and/or comments on any aspect of the financial statements and reports?

Do I have anyone to propose the adoption of the Financial Statements and Reports?.....Thankyou.

Do I have a seconder for the motion?Thankyou.

All those entitled to vote and are in favour of the motion to adopt the **Financial Statements and Reports**, please raise your voting cards.

Motion carried.

The next item on the agenda is the re-election of company directors.

I ask you to consider, and if you think fit, pass the following as ordinary resolution:

Resolution 1: “That Mr Kerry Smith who, in accordance with clause 12.11 of the Constitution of the Company, retires from office, and being eligible, offers himself for re-election as a Director of the Company”.

I, as Chairman of the meeting advise I am holding 66 valid shareholder proxies in relation to this resolution, which represents 3,436,382 ordinary shares, being:

54 proxies for, 2 proxies against, 9 open proxies and 1 proxy abstaining. The proxy’s voting in favour of the resolution represent 98.05% of the shares voted.

I will be voting for the resolution in relation to all open proxies.

Do I have anyone to propose this resolution?....Thankyou.

Do I have a seconder for the motion?Thankyou.

All those entitled to vote and are in favour of this motion, please raise your voting cards.

Resolution passed as an Ordinary Resolution.

The next item on the agenda is the Remuneration Report. Please note this is a non binding vote.

I would ask you to consider and if you think fit, pass the following as an ordinary resolution:

Resolution 2: "That the Remuneration Report for the financial year ended 30 June 2007 be adopted".

I, as Chairman of the meeting advise I am holding 66 valid shareholder proxies in relation to this resolution, which represents 3,436,382 ordinary shares, being:

48 proxies for, 7 proxies against, 9 open proxies and 2 proxy's abstaining. The proxy's voting in favour of the resolution represent 97.2% of the shares voted.

I will be voting for the resolution in relation to all open proxies. Do I have anyone to propose this resolution?
Thankyou.

Do I have a seconder for the motion?Thankyou.

All those entitled to vote and are in favour of this motion, please raise your voting cards.

Resolution passed as an Ordinary Resolution.

I now throw the floor over to you for your say.

Do we have any questions?

We have now reached the end of the 2006-2007 Annual General Meeting.

Before I close I would like to say I'm extremely pleased with 2007.

It has been a milestone year that has opened the door in achieving our global off-shore ambition. And it's just the beginning.

It has also been a consolidation year.

I would like to take this opportunity to thank our staff in all of the Wellcom divisions for their fine work and dedication.

Also sincere thanks to our loyal clients, whose faith in our ability to deliver has kept us where we are today. To all of you, thankyou.

Finally, I would like to thank you, the shareholders who I sincerely hope have been rewarded with an excellent year, a good share value, and an equally promising future with Wellcom.

Thankyou for your time today and please accept a small gift in appreciation of your support. This is available on your way out.

Thankyou.