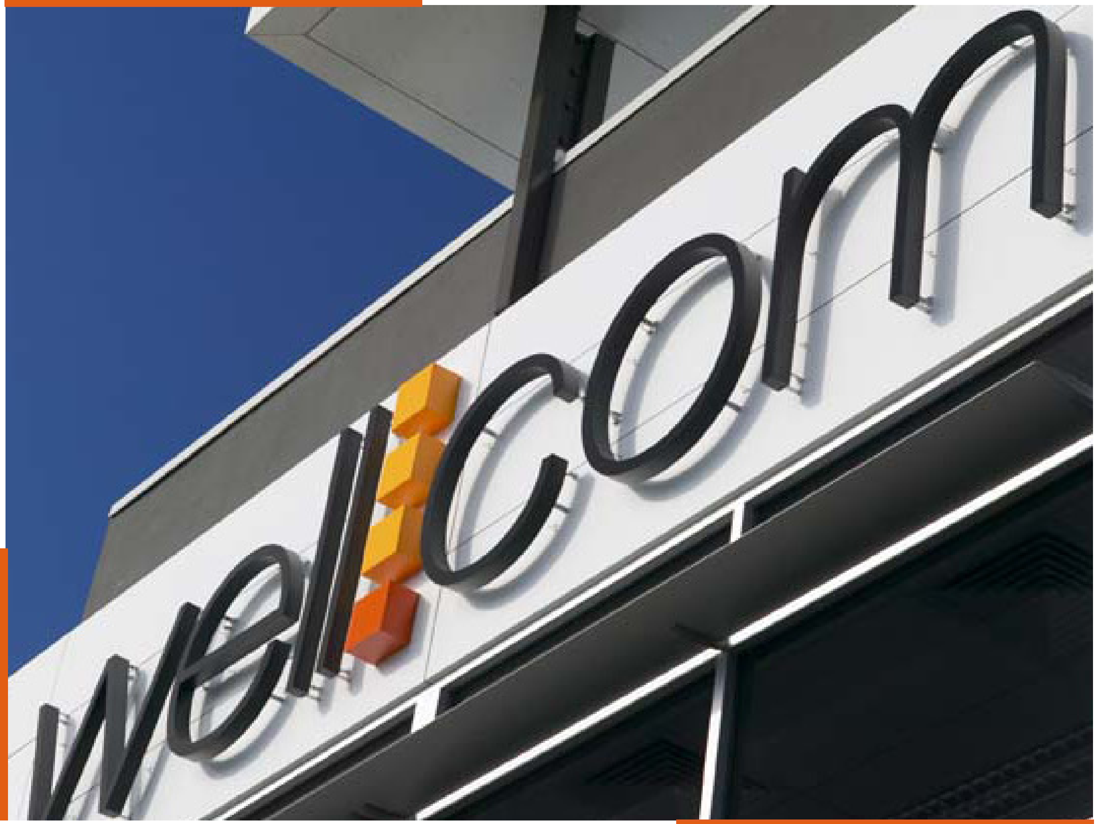
Wellcom Group Limited

Results



25 February 2008

1H08

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Highlights

- Strong first half performance, above original expectations
- Sound organic growth in Australian operations
- Keenes acquisition in UK performing well
- Expansion into New Zealand market
- Modestly geared – flexibility to pursue growth options
- Revised full year guidance to upper end of previously forecast 25-35% EBITDA growth

Key Results

	1H08	1H07	Change
	$m	$m	%
Revenue	39.87	20.17	+98
EBITDA	9.32	5.98	+56
EBIT	7.41	4.45	+67
Net Profit After Tax	4.73	3.40	+39
	¢	¢	
EPS	12.08	8.68	+39
EPS Excl. Amortisation	12.59	9.34	+35
DPS (100% Franked)	6.00	5.00	+20

Strategic Update

- Continued focus on content development and management, directed at all media outlets – online, digital and print
- Growing blue chip customer base in direct corporate and retail sectors
- Commitment to new products and services – roll-out of local area marketing module
- Ongoing investment in leading edge technology – further upgrade to Knowledgewell proprietary software
- Successful entry into UK market via Keenes acquisition and customer and acquisition-based expansion into New Zealand

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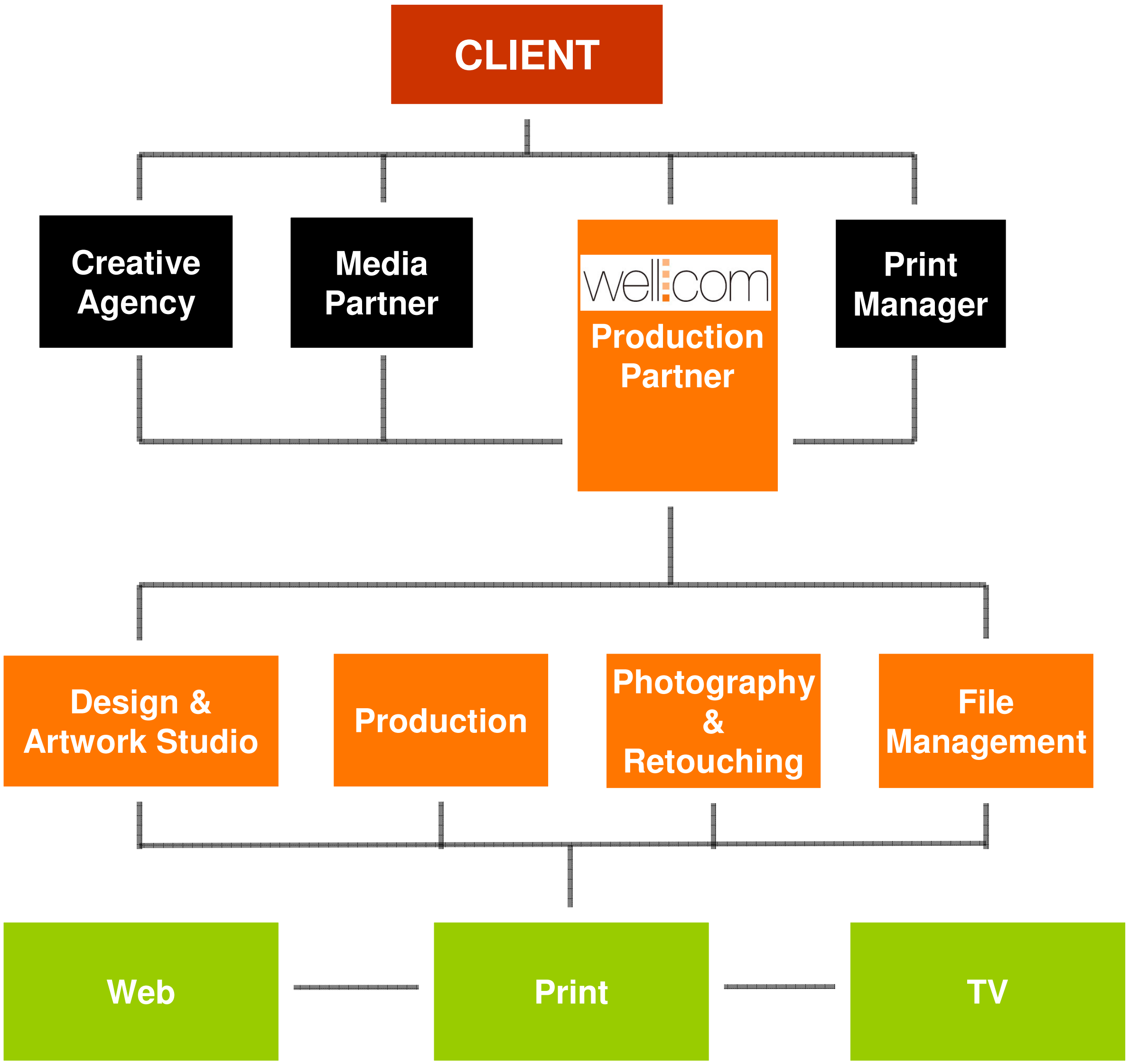
Market Conditions and Trends

- Continuation of buoyant retail conditions
- Corporate trend towards in-house marketing accelerating
  - Increased design requests and sales opportunities
  - Provision of content for on-line catalogues
- Reduced significance of advertising agencies
- Wellcom's strategy is targeted towards 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**

Total Facilities Management

- Total facilities management (TFM) service concept gaining further acceptance – 17 hubs now in operation
- TFM concept accounted for 45% of revenue (excluding Cadillac and Keenes) in 1H08
- TFM consistently exceeds original expectations (per client) in terms of volume and breadth of service
- Based on its superior value-add service, TFM creates:
  - Stronger customer relationships
  - Optimisation of up-sell or cross-sell opportunities
  - Certainty and regularity of income

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New Business

- BWS (Woolworths Liquor) (commenced 1H08)
  - pre-media, catalogue building and asset management services
- BP Australia (commenced late FY07)
  - design, digital asset management and pre-media services
  - rapid expansion with additional staff
- Repco Corporation (commenced 1H08)
  - design, photography and pre-media production, plus digital asset management, in Australia and New Zealand
  - significant increase in planned volumes and type of work, including up-sell into POS

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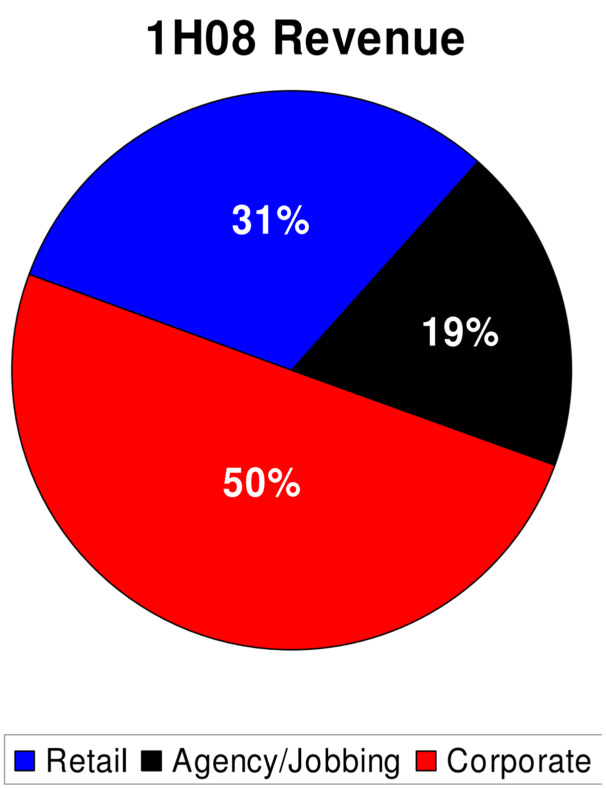
Keenes Acquisition

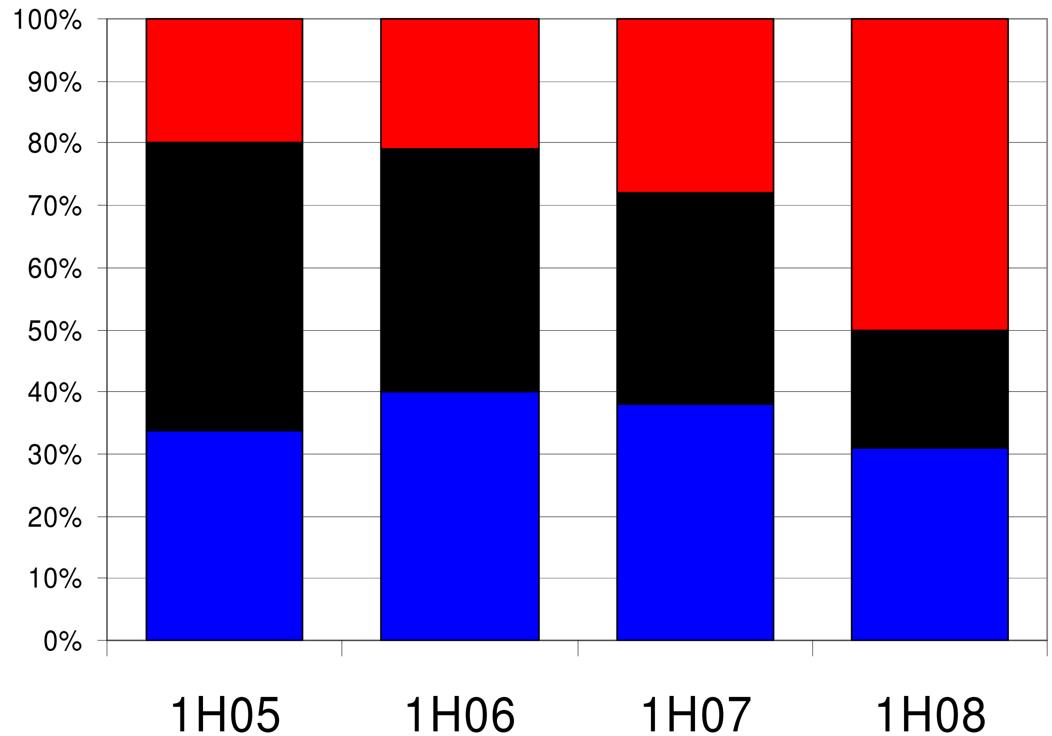
- UK-based pre-media business acquired October 2007
  - Strong fit based on common service offers and target markets
  - Blue chip client roster
  - Provides Wellcom with exposure to UK-based multinationals
  - Scope to introduce TFM concept and Knowledgewell software
- Strong maiden earnings contribution, above expectations
- Integration proceeding smoothly
- First successful joint pitch – Vodafone UK
- Complementary acquisition opportunities

New Zealand

- Expansion into New Zealand market via:
  - Extension of customer relationships – Pacific Brands, Repco
  - Acquisition – Visualise It
- Visualise It offers seamless entry
  - Small business, but good base
  - Brings web hosting and design skills to Wellcom
  - Relocation of Repco business to this operation, following doubling of initial volume estimates

Revenue Mix


1H08 Revenue
31%
19%
50%
Retail
Agency/Jobbing
Corporate


100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
1H05
1H06
1H07
1H08

Blue Chip Client Base

Detailed Results

	1H08 $m	1H07 $m	Change %
Revenue	39.87	20.17	+98
EBITDA (incl. iPrint)	9.32	5.98	+56
*Underlying EBITDA Margin**	*28%*	*27%*	
Depreciation & Amortisation	(1.91)	(1.53)	+24
EBIT	7.41	4.45	+67
EBIT Margin	*19%*	*22%*	
Net Interest	(0.51)	0.04	
Net Profit Before Tax	**6.90**	**4.49**	**+54**
Taxation / Minority	(2.17)	(1.09)	
Net Profit After Tax	**4.73**	**3.40**	**+39**

* Excludes iPrint and Cadillac Printing

Results Features

- Strong revenue growth driven by:
  - Sound underlying organic growth
  - Keenes maiden input
  - Full contribution from prior year acquisitions (notably Cadillac)
- Cadillac Printing responding to restructuring activity – small profit on $12m+ of revenue
- Overall underlying margins boosted by higher margin Keenes business
- Equity-accounted iPrint performing well
- Full tax rate and net interest bill reduce bottom line growth

Key Ratios

	1H08	1H07	Change
	¢	¢	%
EPS	12.08	8.68	+39
EPS Excl. Amortisation	12.59	9.34	+35
DPS	6.00	5.00	+20
	%	%	
Return on Equity (ann'd)	20.0	15.2	
Dividend Payout Ratio	49.7	57.6	
Franking	100	100	
Interest Cover (X)	14.6	nm	

Strong Financial Position

	1H08 $m	1H07 $m	Change %
Operating Cash Flow	4.33	2.81	+54
Capital Expenditure	1.05	1.26	-17
Acquisitions	6.49	5.43	+20
Net Debt	10.65	6.17	+73
Gearing (Net Debt:Equity) (%)	22.5	13.7	
NTA Per Share (¢)	36.87	42.50	-13

Outlook

- FY08 EBITDA growth guidance raised to upper end of previously advised 25-35%
- Traditionally seasonally weaker second half will benefit from:
  - Full half's input from Keenes
  - Recent contractual gains – BP Australia, Repco, Vodafone UK
  - Further improvement from restructured Cadillac Printing
- Strong platform for long term growth

Summary

- Strong first half outcome
- Favourable trends persist in targeted Australian corporate and retail sectors
- UK acquisition performing well and offering strong platform for future growth in that market
- Base established in New Zealand
- Value-adding TFM concept bolsters blue chip client base
- Modest gearing gives flexibility to pursue growth options
- Full year EBITDA growth at upper end of 25-35% range

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Contact

Wellcom Group Limited

870 Lorimer Street
Port Melbourne
VIC 3207

03 9946 8000

Wayne Sidwell
Executive Chairman

Julian Graham
Chief Financial Officer