

The
**WELLCOM
GROUP
LIMITED**

Results
FY2008

Melbourne

Sydney

Brisbane

Adelaide

Auckland

London

HIGHLIGHTS

- Strong FY08 performance, above original expectations
- 37% EBITDA growth
- EPS growth of 35%
- Sound organic growth in Australian business
- Keenes UK acquisition performing well
- Visualise IT (re branded Wellcom NZ) acquisition is exceeding expectations
- Modestly geared position offers flexibility to pursue further growth options.

KEY RESULTS

	FY08 \$m	FY07 \$m	CHANGE %
Revenue	77.86	53.14	+46.5
EBITDA	16.05	11.66	+37.6
EBIT	12.02	8.13	+47.8
Net Profit After Tax	7.86	5.82	+34.9
EPS	20.05	14.86	+34.9
EPS Excl Amortisation	21.60	16.70	+29.3
DPS	13.00	11.00	+18.2
Franking (%)	100.0	100.0	

STRATEGIC AND OPERATIONAL UPDATE

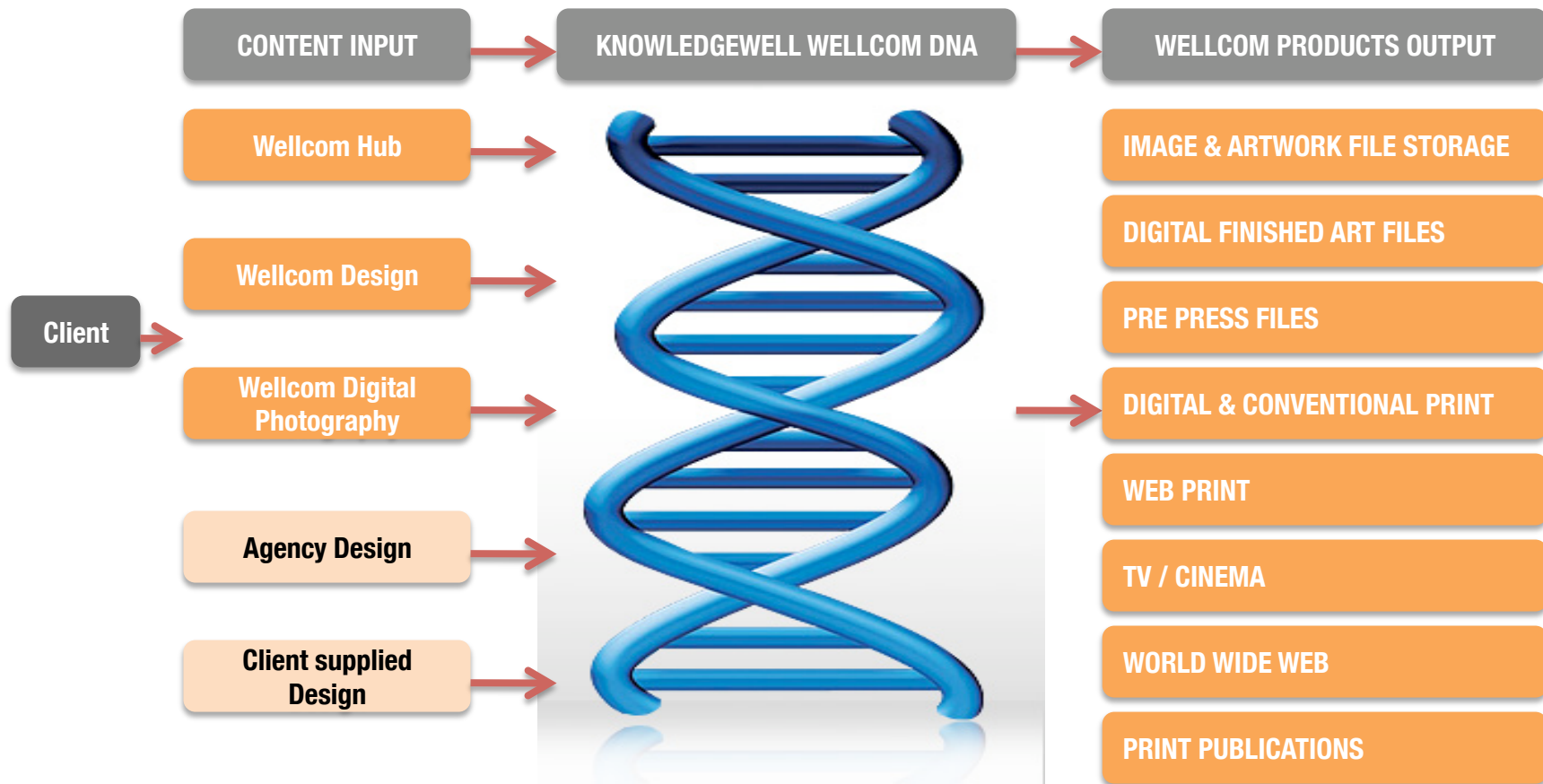
- Continued focus on content development and management, directed at all media – online, digital, TVC and print
- Growing blue chip client base in direct and retail sectors
- Ongoing investment in our leading edge technology Knowledgewell – with deployment of new modules - Local Area Marketing (LAM), Content Management System (CMS) and Merchandise System (MS)
- Successful entry into UK and NZ marketplaces.



MARKET CONDITIONS & TRENDS

- Continuation of retail investment in catalogue production with indications of further growth in production volumes
- Corporate trend to in house marketing continuing
 - Increased requests for Design from hub clients
 - Provision of content for online catalogue extension
- Strategy targeted towards these market trends
- Improved acceptance of new Wellcom products and services.

OUR MODEL



TOTAL FACILITIES MANAGEMENT (TFM)

- Total Facilities Management service concept gaining further acceptance.
- TFMs accounted for more than 50% of revenue (excluding Cadillac and Keenes) for FY08 and will grow further
- TFMs consistently exceed client expectations in terms of volume and quality of service.
- The TFM concept delivers:
 - Stronger customer relationships
 - Optimisation of up-sell and cross-sell opportunities
 - Certainty and regularity of income.

NEW BUSINESS

- Crown Casino rolling out Knowledgewell suite of software services
- Foodworks TFM trialling
- Honda Motorbikes and Power Tools TFM trialling
- Pacific Brands – new Knowledgewell CMS software deployment
- BP has requested an expanded Wellcom service offering
- Melbourne Storm TFM deployment and successful introduction of viral and video Wellcom service offerings.

UK OPERATIONS – KEENES

- Acquisition completed October 2007
- Strong contribution provided
- Keenes integration completed – in line with expectations
- Opportunity beginning to open for Knowledgewell and TFM hubs in UK market
- Planning commenced on strategy to further develop these opportunities
- Vodafone UK business locked in and already performing well
- Joint pitch for L'Oreal (current Australian client).

NZ OPERATIONS – WELLCOM NEW ZEALAND

- Acquisition completed January 2008
- Visualise IT successfully re branded as Wellcom NZ
- Servicing of existing Australian clients Repco and Pac Brands integrated successfully in Wellcom NZ business
- Wellcom NZ niche web based products and services offerings already introduced to Wellcom Australia clients
- Business has exceeded initial expectations
- New service offerings in web design and construction.

BLUE CHIP CLIENT BASE



DETAILED RESULTS

	FY08 \$m	FY07 \$m	CHANGE %
Revenue	77.86	53.14	+46.5
EBITDA	16.05	11.66	+37.6
<i>Underlying EBITDA Margin*</i>	25.6%	25.1%	
Depreciation & Amortisation	4.03	3.53	+14.2
EBIT	12.02	8.13	+47.8
<i>EBIT Margin</i>	15.4%	15.3%	
Net Interest	1.01	0.25	
Net Profit Before Tax	11.01	7.88	+39.7
Taxation / Minority	3.15	2.06	
Net Profit After Tax	7.86	5.82	+34.9

* Excludes iPrint and Cadillac

BUSINESS ANALYSIS BY REGION

	Pre Media A/Asia		Pre Media UK		Web Printing		Group Result	
	FY08	FY07	FY08	FY07	FY08	FY07	FY08	FY07
Segment Revenues	48,368	44,404	9,184	-	22,508	9,596	77,856	53,137
Segment Trading Result	10,605	9,453	1,839	-	283	(470)	12,631	8,948
Margin	21.9%	21.3%	20.0%	-	1.3%	-4.9%	16.2%	16.8%
Joint Venture Income	1,112	884					1,112	884
Results from Operating Activities	11,717	10,337	1,839	-	283	(470)	13,743	9,832
Margin	24.2%	23.3%	20.0%	-	1.3%	(-4.9%)	17.7%	18.5%
Unallocated Expenses							(1,815)	(1,836)
Net Interest Costs							(924)	(117)
Income Tax Expense							(3,230)	(2,317)
Minority Interests							84	262
Profit for the year	11,717	10,337	1,839	-	283	(470)	7,858	5,824

BALANCE SHEET ANALYSIS

	FY08	FY07	Commentary
Current Assets			
Cash and Debtors	16,554	15,272	Debtors days reduced from 53 to 51 days
Inventories	4,674	2,782	Deliberate buildup of inventories - Cadillac – paper shortages
Other	604	136	WIP inclusion from Keenes
Total Current Assets	21,832	18,190	
Non current Assets			
Investments	3,825	3,714	Reflects nearly 100% payout ratio from JV
Intangibles	32,163	28,304	Keenes net of cash and identifiable intangibles amortisation
Property Plant & Equipment	12,301	13,092	Extending productive life of equipment - capex running behind dep'n
Other	1,673	1,447	
Total Non Current Assets	49,962	46,557	
Total Assets	71,794	64,747	
Current Liabilities			
Creditors, Tax & Employee Provisions	13,169	11,287	Keenes acquisition and staff employment history profile
Borrowings	5,146	1,273	\$4.2m C/B (parent borrowings) floating, balance HP - Cadillac - fixed
Total Current Liabilities	18,315	12,560	
Non Current Liabilities			
Employee Provisions and Other	947	985	
Borrowings	5,322	6,064	HP - Cadillac - borrowing fixed
Total Non Current Assets	6,269	7,049	
Total Liabilities	24,584	19,609	
Total Equity	47,210	45,138	

RESULTS FEATURES

- Strong revenue growth driven by:
 - Sound underlying organic growth in Australia (9%)
 - Keenes revenue input of \$9.2m for 9 months
 - Full contribution from prior year acquisitions (notably Cadillac)
- Overall underlying margins have been sustained
- Equity accounted iPrint business continued to perform well.

KEY RATIOS

	FY08	FY07	CHANGE %
EPS (cents)	20.05	14.86	+34.9
EPS Excl. Amortisation (cents)	21.60	16.70	+29.3
DPS (cents)	13.00	11.00	+18.2
Return on Net Assets (%)	16.6	12.9	
Return on Net Assets excl. Intangibles (%)	52.2	34.6	
Dividend Payout Ratio (%)	64.8	74.0	
Franking (%)	100.0	100.0	

STRONG FINANCIAL POSITION

	FY08 \$m	FY07 \$m	CHANGE %
Operating Cash Flow	10.52	7.15	+47.1
Capital Expenditure	2.02	3.64	-44.5
Acquisitions	6.83	5.43	
Net Debt	6.98	5.19	+34.5
Gearing (Net Debt:Equity) [%]	14.8	11.5	
Gearing (EBITA/Net Debt) [times]	2.30	2.25	
Interest Cover [times]	11.9	33.3	
NTA Per Share (¢)	38.39	42.95	

OUTLOOK

- Strong long term growth platform has been established through clear direction of TFM strategy
- Investment in new Knowledgewell products – CMS and MS.
- EPS growth of around 10%
- Retail prediction is for growth in catalogue and marketing spend.

SUMMARY

- Strong FY08 result with 37% EBITDA growth
- EPS growth of 35% in FY08
- Continued acceptance of TFMs for corporate and retail clients
- UK operation has performed well and offers a platform for future growth in that market
- NZ acquisition adds new service offerings both locally and globally
- Modest gearing gives flexibility to pursue further growth options
- We remain optimistic about the outlook for 2009 despite this tightening economic climate
- EPS growth of around 10% for FY09.

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