

The

**WELLCOM
GROUP
LIMITED**

Results

1H2009

Melbourne

Sydney

Brisbane

Adelaide

Auckland

London

HIGHLIGHTS

- Satisfactory 1H09 performance, tracking expectations
- Trading margins maintained – continued growth of TFM (hubs) revenues (60% vs 45% in 1H08)
- Engagement with all major clients
- Sound organic and TFM revenue growth in Australasian premedia and web printing business
- Keenes UK acquisition restructure complete in Jan '09
- Wellcom NZ is exceeding expectations
- Modestly geared, no net debt in Wellcom (excl. Cadillac)
- Careful management of working capital
- Expecting full year growth of around 10% EPS

KEY RESULTS

	1H09 \$m	1H08 \$m	CHANGE %
Revenue	42.76	39.87	+7.3
EBITDA	8.77	9.32	-5.9
EBIT	7.11	7.41	-4.1
Net Profit After Tax	4.46	4.73	-5.7
EPS	11.4	12.1	-5.7
EPS Excl Amortisation	11.6	12.8	-9.4
DPS	6.00	6.00	-
Franking (%)	100.0	100.0	

STRATEGIC AND OPERATIONAL UPDATE

- Continued focus on content development and management.
Focus on CMS (content management system)
- Client base in direct and retail sectors targeted
- Ongoing investment in our leading edge technology
Knowledgewell
- Group cross-sell opportunities extended (Foodworks, ANZ, Woolworths, Toys R Us, LMG)
- Non TFM/contracted volumes down - UK and Queensland
- Restructure of Keenes implemented



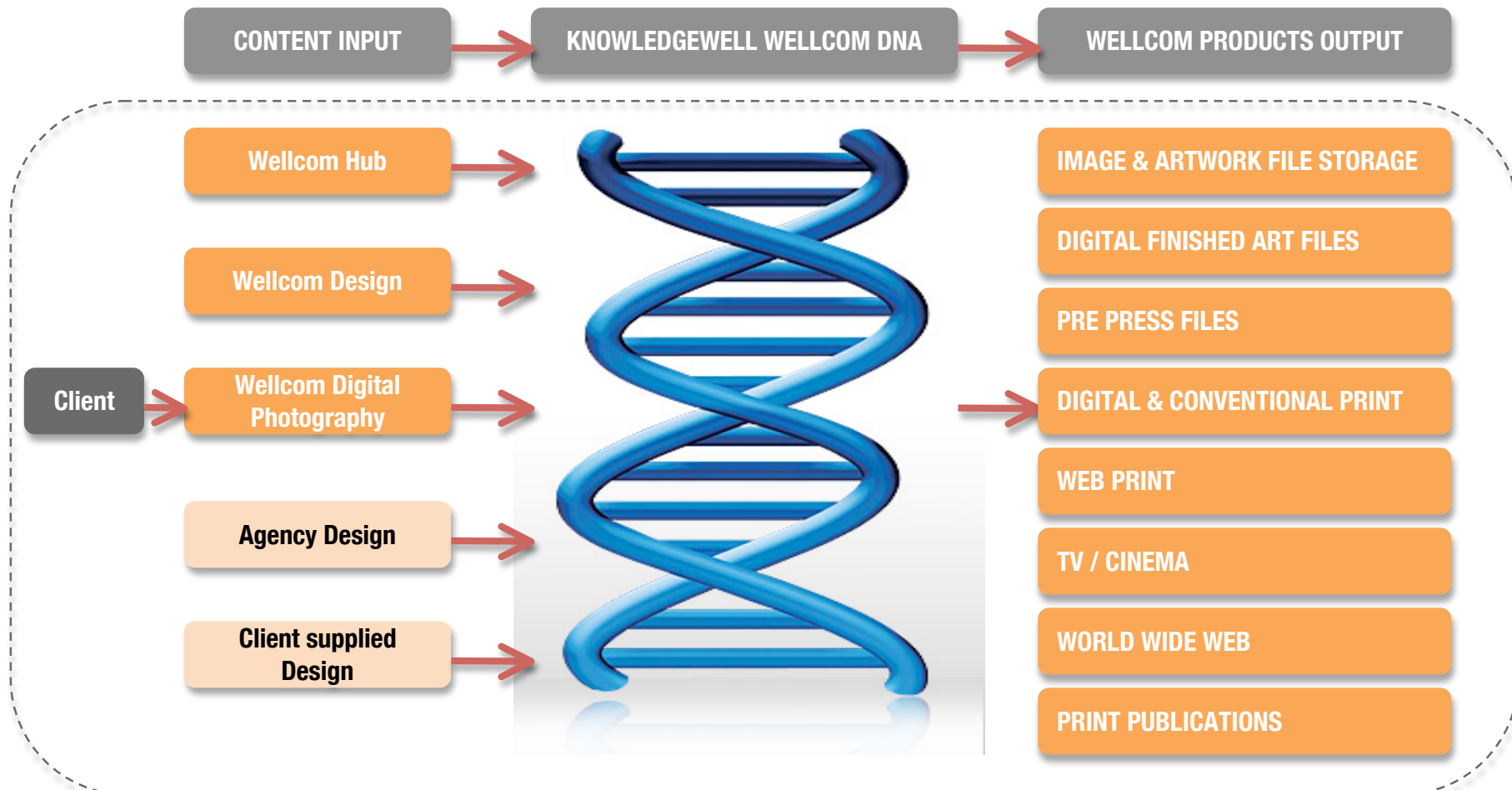
BLUE CHIP CLIENT BASE



MARKET CONDITIONS & TRENDS

- Continuation of retail investment in catalogue production
- Corporate trend to in-house marketing continuing
- All major clients still engaged – some volumes are decreasing in non TFM/contracted market
- Australian TFM revenues increasing (60% of revenues 1H09 vs 45% 1H08)
- UK sales softened
- Sales closure has longer lead times

OUR MODEL



NEW BUSINESS

- Foodworks TFM established
- Honda Motorbikes and Power Tools TFM established
- L'Oreal TFM commenced in Melbourne and Sydney
- Bevilles TFM commences February
- Pacific Brands – Tontine
- Prospective new accounts of \$10M in Pre-media and \$4M in Web print currently under negotiation

DETAILED RESULTS

	1H09 \$m	1H08 \$m	CHANGE %
Revenue	42.76	39.87	+7.3
EBITDA	8.77	9.32	-5.9
<i>Underlying EBITDA Margin *</i>	24.2%	28.1%	
Depreciation & Amortisation	1.66	1.91	-13.1
EBIT	7.11	7.41	-4.1
<i>EBIT Margin</i>	16.6%	18.6%	
Net Interest	(0.45)	(0.51)	
Net Profit Before Tax	6.66	6.90	-3.5
Taxation / Minority	2.21	2.17	
Net Profit After Tax	4.46	4.73	-5.7

* Excludes iPrint and Cadillac

BUSINESS ANALYSIS BY REGION

	Pre-media A/Asia		Pre-media UK		Web Printing		Group Result	
	1H09	1H08	1H09	1H08	1H09	1H08	1H09	1H08
Segment Revenues	25,590	24,734	5,049	3,875	13,317	12,337	42,761	39,867
Segment Trading Result	5,903	6,116	490	1,364	570	145	6,929	7,577
Margin	23.1%	24.7%	9.7%	35.2%	4.3%	1.2%	16.2%	19.0%
Joint Venture Income	582	674						
Results from Operating Activities	6,485	6,790	490	1,364	570	145	7,511	8,251
Margin	25.6%	27.5%	9.7%	35.2%	4.3%	1.2%	17.5%	20.7%
Unallocated Expenses							(753)	(1,116)
Net Interest Costs							(94)	(233)
Income Tax Expense							(2,001)	(2,109)
Minority Interests							(208)	(59)
Profit for the year	6,485	6,790	490	1,364	570	145	4,455	4,734

PRE-MEDIA – AUSTRALASIA

	1H09 \$m	1H08 \$m	Change %	
Revenue	25,590	24,734	+3.5	<ul style="list-style-type: none"> • Organic sales growth of 4% • Sales customer/product mix improving • JV – Volumes steady and modest margin reduction • DSO from 61 days (Dec 07) to 56 days (Dec 08)
Segment Result	5,903	6,116	-3.5	
Margin %	23.1	24.7		
JV (iPrint)	582	674	-13.6	
Result from Operations	6,485	6,790	-4.5	
Margin %	25.6	27.5		
Staffing	249	247		

PRE-MEDIA – UNITED KINGDOM

	1H09 \$m	1H08 \$m	Change %	
Revenue	5,049	3,875	+30.3	<ul style="list-style-type: none"> • Keenes acquired 1 October 2007 • All major customers still engaged, volumes down 15 – 20% pro-rata on normalised corresponding period • Increase in occupancy costs • Post acquisition restructuring completed January 2009 • DSO from 59 days (Dec 07) to 48 days (Dec 08)
Segment Result	490	1,364	-64.1	
Margin %	9.7	35.2		
Staffing	57*	72**		

* as at 31 January 2009
** as at 1 October 2007

WEB PRINT – AUSTRALASIA

	1H09 \$m	1H08 \$m	Change %	
Revenue	13,317	12,337	+7.9	<ul style="list-style-type: none"> • Organic sales growth of 8% • Tonnages up 6% • Restructure of bindary and stores completed January 2009 • Working capital <ul style="list-style-type: none"> – Stock decreased by \$379K – DSO from 65 days (Dec 07) to 53 days (Dec 08) • Management restructure complete • Improved client quality and quoting success rate
Segment Result	570	145	+293.1	
Margin %	4.3	1.2		
Staffing	63	68		

BALANCE SHEET ANALYSIS

	DEC 08	JUN 08	Commentary
Current Assets			
Cash and Debtors	15,535	16,554	Debtors days maintained at 51 days since June 08
Inventories	4,300	4,674	Inventories management - Cadillac
Other	1,305	604	
Total Current Assets	21,140	21,832	
Non current Assets			
Investments	4,407	3,825	Reflects JV profit for the half, dividend payment typically 2 nd half
Intangibles	32,112	32,163	
Property Plant & Equipment	11,684	12,301	Extending productive life of equipment - capex running behind dep'n
Other	1,850	1,673	
Total Non Current Assets	50,053	49,962	
Total Assets	71,193	71,794	
Current Liabilities			
Creditors, Tax & Employee Provisions	12,338	13,169	Improved terms to paper suppliers
Borrowings	3,374	5,146	No net debt (excl. Cadillac)
Total Current Liabilities	15,712	18,315	
Non Current Liabilities			
Employee Provisions and Other	1,214	947	
Borrowings	4,921	5,322	HP - Cadillac - borrowing fixed
Total Non Current Liabilities	6,135	6,269	
Total Liabilities	21,847	24,584	
Total Equity	49,346	47,210	

RESULTS FEATURES

- Sound revenue growth driven by:
 - Organic growth in Australia
 - Improved contribution from Cadillac
- Overall underlying operating margins have been sustained
- Reduction in jobbing work in print and pre-media in the UK and Queensland
- Fixed costs increased due to office fitouts and moves
- Equity accounted iPrint business volumes are steady – margin compression resulted in reduction in profits
- Focus on working capital (debtors/stock)

KEY RATIOS

	1H09	1H08	CHANGE %
EPS (cents)	11.4	12.1	-5.7
EPS Excl. Amortisation (cents)	11.6	12.8	-9.4
DPS (cents)	6.00	6.00	-
Return on Net Assets (%)	9.0	10.0	
Dividend Payout Ratio (%)	52.8	49.7	
Franking (%)	100.0	100.0	

STRONG FINANCIAL POSITION

	1H09 \$m	1H08 \$m	CHANGE %
Operating Cash Flow	4.52	4.33	+4.4
Capital Expenditure	0.94	1.05	-10.5
Acquisitions	-	6.49	
Net Debt	6.04	10.65	-43.3
Gearing (Net Debt:Equity) [%]	12.2	22.5	
Gearing (EBITDA/Net Debt) [times]	1.45	0.87	
Interest Cover [times]	15.2	14.6	
NTA Per Share (¢)	43.98	36.87	

OUTLOOK

- Expectation of EPS growth of around 10%
- Strong long term growth platform has been established through clear direction of TFM strategy
- Investment in new Knowledgewell products – CMS and MS.
- Prospective new accounts of \$10M in Pre-media and \$4M in Web print currently under negotiation
- Prediction is for growth in catalogue and marketing revenue.

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