



ASX Release

Date – 18 May 2009

**Wellcom announces revised profit guidance for FY09
and positive outlook for FY10**

Wellcom Group Limited (**Wellcom**) (ASX Code: WLL) today announced that its Australian operations have remained solid, with its Australasian premedia division achieving within 10% of last year's results and the webprint division trading ahead of last year's results. This is despite widespread reporting across mainstream Australian media of reductions in advertising spend.

Wellcom has however experienced a deterioration in revenues in its UK premedia division as a result of unprecedented economic conditions in the UK, meaning that the company now expects to deliver an EBITDA of around \$13 million for FY09, down some 18% on last year and a NPAT of around \$6 million.

Executive Chairman, Wayne Sidwell, said "Australian sales are holding up well even though there has been some deterioration in margins to meet the market. As a consequence, we expect FY09 to yield a similar result to FY08 for our Australian business. We attribute the strength of the Australian business to our technological excellence and IP which delivers a cost and quality advantage to our customers. In addition, the retail catalogue side of our business has experienced less volatility than mainstream media spend because it is a significant part of our retail clients' strategy and spend in these tough times."

Mr Sidwell said that while the expected result for FY09 was disappointing, Wellcom continues to win significant new blue chip clients. While the impact of new client signings are not yet fully reflected in the financial results, they contribute to offsetting any reduction in spend from existing clients. Cost cutting measures which have been put in place to improve profitability provide confidence that Wellcom will deliver improved profitability in FY10.

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