
Appendix 4D

Half-year report

Wellcom Group Limited

ACN 114 312 542

Current reporting period: Half-year ended 31 December 2009
Previous reporting period: Half-year ended 31 December 2008

Results for announcement to the market

Financial Results

				\$'000
Revenue	up	3%	to	43,889
Profit after tax attributable to members	down	3%	to	4,340
Net profit for the period attributable to members	down	3%	to	4,340

Dividends / Distributions

	Amount per security	Franked amount per security
Current period		
- Interim dividend for the period ended 31 December 2009	6.0 ¢	6.0 ¢
Previous corresponding period		
- Interim dividend for the period ended 31 December 2008	6.0 ¢	6.0 ¢
Record date for determining entitlements to the dividend		19 March 2010
Payment date for interim dividend		15 April 2010

For details regarding the operations and financial performance of Wellcom Group Limited for the period ended 31 December 2009 please refer to the attached half-year financial report.

Half-year financial report

Wellcom Group Limited

ACN 114 312 542

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Rounding off of amounts

The company is of the kind referred to in ASIC Class Order 98/0100, and in accordance with that Class Order amounts in the Directors' Report and the half-year financial report have been rounded to the nearest thousand dollars (\$'000), unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Wayne Sidwell

Director

Melbourne, 18 February, 2010



Accountants | Business and Financial Advisers

Auditor's Independence Declaration to the Directors of Wellcom Group Limited

In relation to our review of the half-year financial report of Wellcom Group Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wellcom Group Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd

A handwritten signature in black ink that reads 'David Nairn'.

DAVID NAIRN
Partner

18 February 2010
Melbourne

HLB Mann Judd (VIC Partnership)

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WELLCOM GROUP LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wellcom Group Limited, which comprises the consolidated statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration for the consolidated entity. The consolidated entity comprises both Wellcom Group Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Wellcom Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

HLB Mann Judd (VIC Partnership)

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Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the half-year financial report published in both the half-year report and on the website of the Company for the half year ended 31 December 2009. The directors of the Company are responsible for the integrity of the web site. We have not been engaged to report on the integrity of the web site. The review report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copies of the half-year financial report to confirm the information included in the half-year financial report presented on the Company's web page.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wellcom Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd

A handwritten signature in black ink, appearing to read 'David Nairn'.

David Nairn
Partner

18 February 2010
Melbourne

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001*, including;
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Wellcom Group Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Wayne Sidwell
Director

Melbourne, 18 February, 2010

Consolidated Statement of Comprehensive Income For the half-year ended 31 December 2009

		31 December 2009	31 December 2008
	Note	\$'000	\$'000
Revenue	4(a)	43,889	42,761
Cost of sales		(17,133)	(14,735)
Gross Profit		26,756	28,026
Other income	4(b)	111	318
Share of profits of jointly controlled entities accounted for using the equity method		565	582
Marketing expenses		(143)	(238)
Occupancy expenses		(2,264)	(2,318)
Employee benefits expense	4(c)	(14,956)	(15,652)
Depreciation and amortisation	4(d)	(1,519)	(1,656)
Finance costs	4(e)	(351)	(527)
Consulting expenses		(160)	(82)
Other expenses		(2,013)	(1,789)
Profit from continuing operations before income tax expense		6,026	6,664
Income tax expense		(1,589)	(2,001)
Profit from continuing operations after income tax expense		4,437	4,663
Other comprehensive income			
Foreign currency translation		(726)	216
Income tax on items of other comprehensive income		218	(65)
Other comprehensive income/(loss) for the half-year, net of tax		(508)	151
Total comprehensive income for the half-year		3,929	4,814
Profit for the period is attributable to:			
Owners of Wellcom Group Limited		4,340	4,455
Non-controlling interest		97	208
		4,437	4,663
Earnings per share:			
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent:			
Basic (cents per share)		11.1	11.4
Diluted (cents per share)		11.1	11.4
Earnings per share from profit attributable to the ordinary equity holders of the parent:			
Basic (cents per share)		11.1	11.4
Diluted (cents per share)		11.1	11.4

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the half-year financial statements included on pages 13 to 17.

Consolidated Statement of Financial Position As at 31 December 2009

	Note	As at 31 December 2009	As at 30 June 2009
		\$'000	\$'000
Current assets			
Cash and cash equivalents		2,758	2,584
Trade and other receivables		14,658	12,023
Current tax assets		214	322
Inventories & WIP		3,433	3,692
Other current assets		829	861
Total current assets		21,892	19,482
Non-current assets			
Investments accounted for using the equity method		3,827	4,013
Property, plant and equipment		10,583	10,512
Deferred tax assets		1,595	1,669
Goodwill		31,302	31,895
Other intangible assets		16	32
Other non-current assets		-	561
Total non-current assets		47,323	48,682
Total assets		69,215	68,164
Current liabilities			
Trade and other payables		7,362	6,195
Deferred revenue		60	639
Interest bearing loans and borrowings		2,254	3,073
Current tax payables		1,104	849
Provisions		3,246	3,169
Total current liabilities		14,026	13,925
Non-current liabilities			
Interest bearing loans and borrowings		3,890	4,266
Deferred tax liabilities		591	644
Provisions		352	333
Total non-current liabilities		4,833	5,243
Total liabilities		18,859	19,168
Net assets		50,356	48,996
Equity			
Contributed equity	7	38,355	38,355
Retained earnings and reserves		10,536	9,273
Capital and reserves attributable to equity holders of the parent		48,891	47,628
Non-controlling interest		1,465	1,368
Total equity		50,356	48,996

The consolidated statement of financial position is to be read in conjunction with the notes to the half-year financial statements included on pages 13 to 17.

Consolidated Statement of Changes in Equity For the half-year ended 31 December 2009

	Contributed equity	Reserves	Retained Earnings	Owners of the parent	Non- controlling interest	Total equity
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July, 2009	38,355	(942)	10,215	47,628	1,368	48,996
Profit for the period	-	-	4,340	4,340	97	4,437
Other comprehensive income	-	(726)	-	(726)	-	(726)
Total comprehensive income for the period	-	(726)	4,340	3,614	97	3,711
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(2,351)	(2,351)	-	(2,351)
At 31 December, 2009	38,355	(1,668)	12,204	48,891	1,465	50,356

	Contributed equity	Reserves	Retained Earnings	Owners of the parent	Non- controlling interest	Total equity
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July, 2008	38,355	(1,000)	8,612	45,967	1,243	47,210
Profit for the period	-	-	4,455	4,455	208	4,663
Other comprehensive income	-	216	-	216	-	216
Total comprehensive income for the period	-	216	4,455	4,671	208	4,879
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(2,743)	(2,743)	-	(2,743)
At 31 December, 2008	38,355	(784)	10,324	47,895	1,451	49,346

The consolidated statement of changes in equity is to be read in conjunction with the notes to the half-year financial statements included on pages 13 to 17.

Consolidated Statement of Cash Flows For the half-year ended 31 December 2009

	Note	31 December 2009 \$'000	31 December 2008 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		46,276	47,067
Payments to suppliers/employees (inclusive of GST)		(40,224)	(40,615)
Interest and other costs of finance paid		(351)	(527)
Income tax paid		(1,205)	(1,410)
Net cash provided by operating activities		4,496	4,515
Cash flows from investing activities			
Interest received		39	109
Dividends received		750	-
Proceeds from property, plant and equipment		11	-
Payment for property, plant and equipment		(1,576)	(938)
Net cash used in investing activities		(776)	(829)
Cash flows from financing activities			
Related party loans		448	(49)
Proceeds from borrowings		1,000	6,641
Repayment of borrowings		(2,643)	(8,765)
Dividends paid	5	(2,351)	(2,743)
Net cash used in financing activities		(3,546)	(4,916)
Net increase/(decrease) in cash and cash equivalents		174	(1,230)
Cash and cash equivalents at the beginning of the period		2,584	3,484
Cash and cash equivalents at the end of the period		2,758	2,254

The consolidated statement of cash flows is to be read in conjunction with the notes to the half-year financial statements included on pages 13 to 17.

Notes to the financial statements for the half-year ended 31 December 2009

1. Corporate information

The financial report of Wellcom Group Limited (the Company) for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 18 February 2010.

Wellcom Group Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the directors' report. The Group includes the Company and its controlled entities.

2. Basis of preparation and accounting policies

Basis of preparation

This general purpose financial report for the half-year ended 31 December 2009 has been prepared in accordance with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2009 and considered together with any public announcements made by Wellcom Group Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Changes in accounting policy

Wellcom Group Limited had to change some of its accounting policies as the result of new or revised accounting Standards which became operative for the annual reporting period commencing on 1 July 2009. Adoption of these Standards did not have any effect on the financial position or performance of the Group.

(i) Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*

The revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but has not affected any of the amounts recognised in the financial statements. Comparative information has been re-presented to comply with the revised standard.

(ii) AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. There has been no change to the cash generating units at a segment level to which goodwill has been allocated.

(iv) Revised AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The Group adopted these amendments as of 1 July 2009 and has amended its accounting policies accordingly.

3. Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of the goods or services provided and the country of origin. Discrete financial information about each of these operating businesses is reported to the Board of Directors on a monthly basis. Three reportable segments have been identified, namely the provision of premedia services in Australasia, the provision of premedia services in the United Kingdom, and the provision of web offset printing services in Australasia.

The following table presents revenue, profit, total asset and total liability information for the half-year ended 31 December 2009.

Half-year ended 31 December 2009	Pre Media - Aust	Pre Media - UK	Web Printing	Elimination	Total continuing operations
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	25,533	3,341	15,015	-	43,889
Inter-segment revenue	1,146	-	459	(1,605)	-
Total segment revenue	26,679	3,341	15,474	(1,605)	43,889
Segment result	6,550	(571)	511	(35)	6,455
Unallocated expenses					(682)
Results from operating activities					5,773
Net interest costs					(312)
Joint venture income					565
Income tax expense					(1,589)
Profit from continuing operations					4,437
Non-controlling interest					(97)
Profit for the half-year					4,340
Total segment assets	57,405	2,983	15,476	(6,649)	69,215
Total segment liabilities	6,347	2,459	12,999	(2,946)	18,859

3. Segment reporting (continued)

The following table presents revenue, profit, total asset and total liability information for the half-year ended 31 December 2008.

Half-year ended 31 December 2008	Pre Media - Aust \$'000	Pre Media - UK \$'000	Web Printing \$'000	Elimination \$'000	Total continuing operations \$'000
Revenue from external customers	24,583	5,049	13,129	-	42,761
Inter-segment revenue	1,007	-	188	(1,195)	-
Total segment revenue	25,590	5,049	13,317	(1,195)	42,761
Segment result	6,009	486	869	(75)	7,289
Unallocated expenses					(753)
Results from operating activities					6,536
Net interest costs					(454)
Joint venture income					582
Income tax expense					(2,001)
Profit from continuing operations					4,663
Non-controlling interest					(208)
Profit for the half-year					4,455
Total segment assets	57,273	4,215	14,327	(4,622)	71,193
Total segment liabilities	9,536	2,128	11,876	(1,693)	21,847

4. Profit from operations

	31 December 2009 \$'000	31 December 2008 \$'000
Revenue and expenses from operations		
(a) Revenue		
Revenue from the rendering of services	43,889	42,761
	43,889	42,761
(b) Other income		
Rental income	50	115
Interest income	39	73
Net gains on disposal of property, plant and equipment	10	48
Other	12	82
	111	318
	44,000	43,079
(c) Employee benefits expense		
Salaries and wages	14,819	15,529
Fringe Benefits Tax	75	52
Staff amenities	62	71
	14,956	15,652
(d) Depreciation and amortisation		
Depreciation of non-current assets	1,504	1,555
Amortisation of non-current assets	15	101
	1,519	1,656
(e) Finance costs		
Interest on commercial bills	14	137
Other interest expenses	337	390
	351	527

5. Dividends paid and proposed

Details of dividends declared or paid during or subsequent to the period ended 31 December 2009 are as follows:

	31 December 2009 \$'000	31 December 2008 \$'000
(a) Dividends declared and paid during the period:		
Fully franked final dividend for the 30 June 2009 financial year of 6.0 cents (2008: 7.0 cents) per ordinary share paid on 23 September 2009 (2008: 24 September 2008).	2,351	2,743
(b) Dividends declared but not recognised as a liability during the period:		
Fully franked interim dividend for the half-year ended 31 December 2009 of 6.0 cents (2008: 6.0 cents) per ordinary share proposed to be paid on 15 April 2010 (2008: 9 April 2009)	2,351	2,351
	4,702	5,094

6. Contingent liabilities and contingent assets

There are no contingent assets or liabilities of which the directors of the company are aware at the date of this report.

7. Contributed equity

39,190,001 Fully paid ordinary shares

31 December 2009 \$'000	30 June 2009 \$'000
38,355	38,355

Movement in ordinary shares on issue:

At 1 July 2009

At 31 December 2009

Number '000	\$ '000
39,190	38,355
39,190	38,355

8. Net tangible asset backing

Net tangible asset backing per ordinary share

31 December 2009 cents	31 December 2008 cents
48.58	43.98

9. Associates and joint venture entities

Wellcom Group Limited holds a 50% (2008: 50%) shareholding in the joint venture entity iPrint Corporate Pty Limited. iPrint Corporate Pty Limited contributed \$565k (2008: \$582k) to the profit after tax attributable to members for the period.

10. Subsequent events

Subsequent to the end of the reporting period, the directors of Wellcom Group Limited declared an interim dividend of 6.0 cents per ordinary share. The total amount of the interim dividend is \$2,351k. The dividend will be 100% franked. The record date for determining entitlements to the dividend is 19 March 2010. The payment date of the dividend will be 15 April 2010.

Except for the declaration of the interim dividend mentioned above, as of the date of this report there have been no events subsequent to the half-year reporting period that, in the opinion of the directors, would affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

11. Audit status

This report is based on accounts which have been subject to review in accordance with ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*. A copy of the review report is enclosed.