

Appendix 4D

Half-year report

Wellcom Group Limited

ACN 114 312 542

Current reporting period: Half-year ended 31 December 2010
Previous reporting period: Half-year ended 31 December 2009

Results for announcement to the market

Financial Results

				\$'000
Revenue	level		at	29,564
Profit after tax attributable to members	up	25%	to	5,412
Net profit for the period attributable to members	up	25%	to	5,412

Dividends / Distributions

	Amount per security	Franked amount per security
Current period		
- Interim dividend for the period ended 31 December 2010	7.5 ¢	7.5 ¢
Previous corresponding period		
- Interim dividend for the period ended 31 December 2009	6.0 ¢	6.0 ¢
Record date for determining entitlements to the dividend		21 March 2011
Payment date for interim dividend		31 March 2011

For details regarding the operations and financial performance of Wellcom Group Limited for the period ended 31 December 2010 please refer to the attached half-year financial report.

Half-year financial report

Wellcom Group Limited

ACN 114 312 542

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Directors' report

The directors of Wellcom Group Limited ('the Company') submit herewith the financial report of the consolidated entity ('the Group') for the half-year ended 31 December 2010, consisting of the Company and the entities it controlled during the half-year ended 31 December 2010. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the company during or since the end of the half-year until the date of this report are:

W.W. Sidwell	K.B. Smith
C.A. Anzarut	A.J. Brook (<i>resigned 29 November 2010</i>)

Directors were in office for this entire period unless otherwise stated.

Principal activities

The principal activities of the consolidated entity during the period were:

The provision of pre-media and data management services in Australia, the United Kingdom, New Zealand and Asia encompassing the following services:

- Pre-media Services
- Design, Artwork and Retouching
- Data and Facilities Management
- Digital Photography
- Television Production
- Digital Print, and
- Computer to Plate (CTP) Production

Review of operations

During the period the Group completed the sale of its 50% interest in the web offset printer Kinkaid Pty Ltd, trading as Cadillac Printing, and closed sheet-fed operations in Queensland, in order to focus on core business activities.

The table below displays the result for the half year ended 31 December 2010 together with the prior comparative period.

The Board's view is that the most relevant comparison is made between the profit from continuing operations in the current year of \$4,935K versus the profit from continuing operations in the prior year of \$4,243K. The increase in the profit from continuing operations on this basis is 16%.

The sale of Cadillac Printing necessitated the reclassification of the reported 31 December 2009 financial results, whereby the financial performance of Cadillac has been disclosed as a discontinued operation in the 2010 consolidated income statement. As a result, the reported 2009 profit from continuing operations changed from \$4,437K to \$4,243K.

	31 December 2010 \$'000	31 December 2009 \$'000
Revenue	29,564	29,599
EBITDA from continuing operations	7,589	7,140
Profit after tax from continuing operations	4,935	4,243
Profit after tax from discontinued operations	477	194
Total profit after tax for the period	5,412	4,437
Non-controlling interest	-	(97)
Profit after tax attributable to the owners of Wellcom Group Ltd	5,412	4,340

Group revenues were consistent with the prior year at \$29.56M (2009: \$29.60M). This result included organic growth of 7% in Australasia and 4% in the UK offset by the strategic exit from the Queensland market. Wellcom's Asian operations contributed sales of approximately \$500K, representing 2% of the organic growth.

Operating margins within the Group continued to improve when viewed in comparison to the prior corresponding period, increasing by 2% to 23% (2009: 21%).

Earnings before interest, tax, depreciation and amortisation from continuing operations increased by 6% to \$7.57M (2009: \$7.14M).

The profit after tax from continuing operations increased 16% to \$4.94M (2009: \$4.24M) with the associated earnings per share from continuing operations rising 16% to 12.59 cents (2009: 10.83 cents).

The statutory profit after tax, minorities and accounting gains due to the sale of Cadillac attributable to the owners of Wellcom Group increased by 25% to \$5.41M (2009: \$4.34M) with earnings per share rising by 25% to 13.81 cents (2009: 11.07 cents).

Operating cash flows of the Group increased 13% to \$5.08M (2009: \$4.50M).

Whilst net assets within the Group are comparable to the prior corresponding period the divestment of Cadillac Printing has had an impact on the composition of the statement of financial position, with net tangible asset backing per ordinary share increasing 16% from 48.58 cents to 56.24 cents.

As at 31 December 2010 the Group has no net debt with cash and cash equivalents in excess of interest bearing liabilities by \$9.16M (2009: net debt of \$3.38M).

Dividends

The directors have declared to pay an interim dividend of 7.5 cents per share out of half-year profits. The total interim dividend declared is \$2,939K. The dividend will be franked 100%. The record date for determining entitlements to the dividend is 21 March 2011. The payment date of the dividend will be 31 March 2011.

Auditor's independence declaration under Section 307 of the Corporations Act 2001

The auditor's independence declaration is included on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2010.

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, 16 February, 2011



Accountants | Business and Financial Advisers

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

In relation to our review of the financial report of Wellcom Group Limited for the half-year year ended 31 December 2010, 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 review.

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

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

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to be 'Jude Lau'.

Jude Lau
Partner

16 February 2011
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 ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration. The Group comprises both the Company and the entities it controlled at the half year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 Group's financial position as at 31 December 2010 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 the 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. 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.

Independence

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

Matters Relating to the Electronic Presentation of the Reviewed Half-Year Financial Report

This review report relates to the half-year financial report of the Group for the period ended 31 December 2010 included on the website of the Company. The directors of the Company are responsible for the integrity of the web site and we have not been engaged to report on the integrity of the web site. This review report refers only to the half-year financial report named above and not on any other information which may have been hyperlinked to or from the half-year financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on the Company's website.

HLB Mann Judd (VIC Partnership)

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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:

- b) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- c) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to be 'Jude Lau'.

Jude Lau
Partner

16 February 2011
Melbourne

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 20 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 2010 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, 16 February, 2011

Consolidated Income Statement For the half-year ended 31 December 2010

	31 December 2010	31 December 2009
	\$'000	\$'000
Continuing operations		
Revenue	29,564	29,599
Cost of sales	(6,183)	(7,349)
Gross Profit	23,381	22,250
Other income	229	116
Share of profits of jointly controlled entities accounted for using the equity method	595	565
Marketing expenses	(255)	(108)
Occupancy expenses	(1,578)	(1,818)
Employee benefits expense	(13,230)	(12,406)
Depreciation and amortisation	(965)	(1,313)
Finance costs	(75)	(120)
Consulting expenses	(87)	(173)
Other expenses	(1,293)	(1,217)
Profit from continuing operations before income tax expense	6,722	5,776
Income tax expense	(1,787)	(1,533)
Profit from continuing operations after income tax expense	4,935	4,243
Discontinued operations		
Profit from discontinued operations after income tax	477	194
Net profit for the period	5,412	4,437
Profit for the period is attributable to:		
Owners of Wellcom Group Limited	5,412	4,340
Non-controlling interest	-	97
	5,412	4,437
Earnings per share:		
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the parent:		
Basic (cents per share)	12.59	10.83
Diluted (cents per share)	12.59	10.83
Earnings per share from profit from discontinued operations attributable to the ordinary equity holders of the parent:		
Basic (cents per share)	1.22	0.24
Diluted (cents per share)	1.22	0.24
Earnings per share from profit attributable to the ordinary equity holders of the parent:		
Basic (cents per share)	13.81	11.07
Diluted (cents per share)	13.81	11.07

The consolidated income statement is to be read in conjunction with the notes to the half-year financial statements included on pages 14 to 20.

Consolidated Statement of Comprehensive Income For the half-year ended 31 December 2010

	31 December 2010	31 December 2009
	\$'000	\$'000
Profit for the period	5,412	4,437
Other comprehensive income		
Foreign currency translation	(705)	(726)
Other comprehensive income/(loss) for the period, net of tax	(705)	(726)
Total comprehensive income for the period	4,707	3,711
Total comprehensive income for the period is attributable to:		
Owners of Wellcom Group Limited	4,707	3,614
Non-controlling interest	-	97
	4,707	3,711

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the half-year financial statements included on pages 14 to 20.

Consolidated Statement of Financial Position As at 31 December 2010

	Note	As at 31 December 2010 \$'000	As at 30 June 2010 \$'000
Current assets			
Cash and cash equivalents		9,200	4,695
Trade and other receivables		8,982	12,453
Inventories & WIP		606	2,840
Other current assets		745	908
Total current assets		19,533	20,896
Non-current assets			
Investments accounted for using the equity method		3,618	3,523
Property, plant and equipment		4,760	10,608
Deferred tax assets		1,084	1,748
Goodwill		29,297	31,249
Other non-current assets		148	138
Total non-current assets		38,907	47,266
Total assets		58,440	68,162
Current liabilities			
Trade and other payables		2,861	6,973
Interest bearing loans and borrowings		41	1,338
Current tax payables		1,000	955
Provisions		2,540	3,076
Total current liabilities		6,442	12,342
Non-current liabilities			
Interest bearing loans and borrowings		-	3,528
Deferred tax liabilities		107	467
Provisions		552	689
Total non-current liabilities		659	4,684
Total liabilities		7,101	17,026
Net assets		51,339	51,136
Equity			
Contributed equity	8	38,355	38,355
Retained earnings and reserves		12,984	11,412
Capital and reserves attributable to equity holders of the parent		51,339	49,767
Non-controlling interest		-	1,369
Total equity		51,339	51,136

The consolidated statement of financial position is to be read in conjunction with the notes to the half-year financial statements included on pages 14 to 20.

Consolidated Statement of Changes in Equity For the half-year ended 31 December 2010

	Contributed equity	Reserves	Retained Earnings	Owners of the parent	Non- controlling interest	Total equity
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July, 2010	38,355	(1,762)	13,174	49,767	1,369	51,136
Profit for the period	-	-	5,412	5,412	-	5,412
Other comprehensive income	-	(705)	-	(705)	-	(705)
Total comprehensive income for the period	-	(705)	5,412	4,707	-	4,707
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(3,135)	(3,135)	-	(3,135)
Disposal of discontinued operation	-	-	-	-	(1,369)	(1,369)
At 31 December, 2010	38,355	(2,467)	15,451	51,339	-	51,339

	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

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 14 to 20.

Consolidated Statement of Cash Flows For the half-year ended 31 December 2010

	Note	31 December 2010 \$'000	31 December 2009 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		33,088	46,276
Payments to suppliers/employees (inclusive of GST)		(26,358)	(40,224)
Insurance recovery		150	-
Interest and other costs of finance paid		(75)	(351)
Income tax paid		(1,722)	(1,205)
Net cash provided by operating activities		5,083	4,496
Cash flows from investing activities			
Interest received		173	39
Dividends received		500	750
Proceeds from property, plant and equipment		38	11
Payment for property, plant and equipment		(1,072)	(1,576)
Proceeds on disposal of subsidiary, net of cash disposed of		3,006	-
Net cash provided by/(used in) investing activities		2,645	(776)
Cash flows from financing activities			
Related party loans		-	448
Proceeds from borrowings		-	1,000
Repayment of borrowings		(88)	(2,643)
Dividends paid	6	(3,135)	(2,351)
Net cash used in financing activities		(3,223)	(3,546)
Net increase in cash and cash equivalents		4,505	174
Cash and cash equivalents at the beginning of the period		4,695	2,584
Cash and cash equivalents at the end of the period		9,200	2,758

The consolidated statement of cash flows is to be read in conjunction with the notes to the half-year financial statements included on pages 14 to 20.

Notes to the financial statements for the half-year ended 31 December 2010

1. Corporate information

The financial report of Wellcom Group Limited for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 16 February 2011.

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

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 2010 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 2010 and considered together with any public announcements made by Wellcom Group Limited during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

The following amending Standards have been adopted from 1 July 2010. Adoption of these standards did not have any effect on the financial position or performance of the Group:

- *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that the disclosures required in respect of non-current assets or disposal groups classified as held for sale or discontinued operations are only those set out in AASB 5. The disclosure requirements of other Accounting Standards only apply if specifically required for such non-current assets or discontinued operations.
- *AASB 107 Statement of Cash Flows*: States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.
- *AASB 136 Impairment of Assets*: The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.
- *AASB Interpretation 17 Distribution of Non-cash Assets to Owners*: This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or dividends. The interpretation has no effect on either the financial position or financial performance of the Group.

The Group has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

3. Segment reporting

a) Description of segments

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. The reportable segments identified are the provision of pre-media services in Australasia, the provision of pre-media services in the United Kingdom, and the provision of web offset printing services in Australasia.

b) Segment information provided to the Board of Directors

The following table presents revenue, profit, total asset and total liability information for the half-year ended 31 December 2010.

Half-year ended 31 December 2010	Pre Media - Australasia \$'000	Pre Media - UK \$'000	Web Printing \$'000	Elimination \$'000	Total \$'000
Revenue from external customers	26,091	3,473	-	-	29,564
Inter-segment revenue	644	-	-	(644)	-
Total segment revenue	26,735	3,473	-	(644)	29,564
Segment result	6,324	488	-	-	6,812
Interest revenue	173	-	-	-	173
Interest expense	(64)	(11)	-	-	(75)
Depreciation and amortisation	(877)	(88)	-	-	(965)
Joint venture income	595	-	-	-	595
Income tax expense	(1,787)	-	-	-	(1,787)
Discontinued operations after tax	-	-	477	-	477
Total segment assets	59,844	2,362	-	(3,766)	58,440
Total segment liabilities	6,373	1,716	-	(988)	7,101

3. Segment reporting (continued)

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 - Australasia \$'000	Pre Media - UK \$'000	Web Printing \$'000	Elimination \$'000	Total \$'000
Revenue from external customers	26,258	3,341	-	-	29,599
Inter-segment revenue	421	-	-	(421)	-
Total segment revenue	26,679	3,341	-	(421)	29,599
Segment result	6,550	(571)	-	(35)	5,944
Interest revenue	69	-	-	-	69
Interest expense	(107)	(13)	-	-	(120)
Depreciation and amortisation	(1,157)	(108)	-	(48)	(1,313)
Joint venture income	565	-	-	-	565
Income tax expense	(1,768)	221	-	14	(1,533)
Discontinued operations after tax	-	-	194	-	194
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

c) Segment result reconciliation to profit after tax per the income statement

	2010 \$'000	2009 \$'000
Segment result	6,812	5,944
Interest revenue	173	69
Interest expense	(75)	(120)
Corporate charges	(783)	(682)
Joint venture income	595	565
Income tax expense	(1,787)	(1,533)
Discontinued operations after tax	477	194
Total net profit after tax per the income statement	5,412	4,437

4. Profit from operations

	31 December 2010 \$'000	31 December 2009 \$'000
Revenue and expenses from operations		
(a) Revenue		
Revenue from the rendering of services	29,564	29,599
	29,564	29,599
(b) Other income		
Rental income	10	34
Interest income	173	69
Net gains on disposal of property, plant and equipment	10	1
Other	36	12
	229	116
	29,793	29,715
(c) Employee benefits expense		
Salaries and wages	13,100	12,311
Fringe Benefits Tax	64	40
Staff amenities	66	55
	13,230	12,406
(d) Depreciation and amortisation		
Depreciation of non-current assets	965	1,298
Amortisation of non-current assets	-	15
	965	1,313
(e) Finance costs		
Interest on commercial bills	-	14
Other interest expenses	75	106
	75	120

5. Discontinued Operations

Effective 1 July 2010 the Group disposed of its 50% shareholding in Kinkaid Pty Ltd (trading as Cadillac Printing) to interests associated with Wayne Sidwell, Executive Chairman of Wellcom Group Ltd. The transaction was in accordance with the resolution approved by shareholders at the company's AGM on the 21 October 2010.

The consideration received of \$3M and the repayment of vendor loans reflected the initial purchase consideration by Wellcom Group Ltd and the book value of the asset on the effective date of the transaction. An accounting profit on sale of the asset of \$477K, relating predominantly to the reversal of accumulated losses and previously revalued assets of the entity, has been recognised in the consolidated income statement for the period ended 31 December 2010.

Additional financial information relating to the discontinued operation is set out below.

	31 December 2010	31 December 2009
	\$'000	\$'000
Revenue	-	15,474
Expenses	-	(14,963)
Profit before net financing costs and income tax	-	511
Net financing costs	-	(261)
Profit before income tax	-	250
Income tax expense	-	(56)
Net profit attributable to discontinued operations	-	194

Gain on sale

Consideration received	3,009	-
Carrying amount of net assets sold	(3,017)	-
Other, including accumulated losses and revaluation reserve recycling	485	-
Gain on sale of discontinued operations	477	-

Cash flow attributable to discontinued operations

Net cash outflows from operating activities	-	(126)
Net cash outflows from investing activities	-	(141)
Net cash inflows from financing activities	-	296
Net cash provided by discontinued operations	-	29

6. Dividends paid and proposed

Details of dividends declared or paid during or subsequent to the period ended 31 December 2010 are as follows:

(a) Dividends declared and paid during the period:

Fully franked final dividend for the 30 June 2010 financial year of 8.0 cents (2009: 6.0 cents) per ordinary share paid on 17 September 2010 (2009: 23 September 2009)

(b) Dividends declared but not recognised as a liability during the period:

Fully franked interim dividend for the half-year ended 31 December 2010 of 7.5 cents (2009: 6.0 cents) per ordinary share proposed to be paid on 31 March 2011 (2009: 15 April 2010)

31 December 2010 \$'000	31 December 2009 \$'000
3,135	2,351
2,939	2,351
6,074	4,702

7. 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.

8. Contributed equity

39,190,001 Fully paid ordinary shares

31 December 2010 \$'000	30 June 2010 \$'000
38,355	38,355

Movement in ordinary shares on issue:

At 1 July 2010

At 31 December 2010

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

9. Net tangible asset backing

Net tangible asset backing per ordinary share

31 December 2010 cents	31 December 2009 cents
56.24	48.58

10. Associates and joint venture entities

Wellcom Group Limited holds a 50% (2009: 50%) shareholding in the joint venture entity iPrint Corporate Pty Limited. iPrint Corporate Pty Limited contributed \$595k (2009: \$565k) to the profit after tax attributable to members for the period.

11. Subsequent events

Subsequent to the end of the reporting period, the directors of Wellcom Group Limited declared an interim dividend of 7.5 cents per ordinary share. The total amount of the interim dividend is \$2,939K. The dividend will be 100% franked. The record date for determining entitlements to the dividend is 21 March 2011. The payment date of the dividend will be 31 March 2011.

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 Group, the results of those operations, or the state of affairs of the Group in future financial periods.

12. 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.