

Appendix 4D

Half year report

Wellcom Group Limited

ACN 114 312 542

Current reporting period: Half year ended 31 December 2008
Previous reporting period: Half year ended 31 December 2007

Results for announcement to the market

Financial Results

				\$'000
Revenue	up	7%	to	42,761
Profit after tax attributable to members	down	6%	to	4,455
Net profit for the period attributable to members	down	6%	to	4,455

Dividends / Distributions

	Amount per security	Franked amount per security
Current period		
- Interim dividend for the period ended 31 December 2008	6.0 ¢	6.0 ¢
Previous corresponding period		
- Interim dividend for the period ended 31 December 2007	6.0 ¢	6.0 ¢
Record date for determining entitlements to the dividend		20 March 2009
Payment date for interim dividend		9 April 2009

For details regarding the operations and financial performance of Wellcom Group Limited for the period ended 31 December 2008 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

A handwritten signature in black ink, appearing to be 'W. Sidwell', with a small dot at the end.

Wayne Sidwell
Director

Melbourne, 19 February, 2009



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 ended 31 December 2008, 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

19 February 2009
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 balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement 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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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 2008 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 'D Nairn'.

David Nairn
Partner

19 February 2009
Melbourne

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 18 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 2008 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, 19 February, 2009

Consolidated Income Statement For the half year ended 31 December 2008

	Note	31 December 2008 \$'000	31 December 2007 \$'000
Revenue	4(a)	42,761	39,867
Cost of sales		(14,735)	(13,881)
Gross Profit		28,026	25,986
Other income	4(b)	318	249
Share of profits of jointly controlled entities accounted for using the equity method		582	674
Marketing expenses		(238)	(165)
Occupancy expenses		(2,318)	(1,793)
Employee benefits expense	4(c)	(15,652)	(13,440)
Depreciation and amortisation	4(d)	(1,656)	(1,907)
Finance costs	4(e)	(527)	(613)
Consulting expenses		(82)	(77)
Other expenses		(1,789)	(2,012)
Profit from continuing operations before income tax expense		6,664	6,902
Income tax expense		(2,001)	(2,109)
Profit from continuing operations after income tax expense		4,663	4,793
Profit attributable to minority interests		(208)	(59)
Profit attributable to members of the parent entity		4,455	4,734
Earnings per share:			
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent:			
Basic (cents per share)		11.4	12.1
Diluted (cents per share)		11.4	12.1
Earnings per share from profit attributable to the ordinary equity holders of the parent:			
Basic (cents per share)		11.4	12.1
Diluted (cents per share)		11.4	12.1

The consolidated income statement is to be read in conjunction with the notes to the half year financial statements included on pages 13 to 18.

Consolidated Balance Sheet As at 31 December 2008

	Note	As at 31 December 2008 \$'000	As at 30 June 2008 \$'000
Current assets			
Cash and cash equivalents		2,254	3,484
Trade and other receivables		13,281	13,070
Inventories & WIP		4,300	4,674
Other current assets		1,305	604
Total current assets		21,140	21,832
Non-current assets			
Investments accounted for using the equity method		4,407	3,825
Property, plant and equipment		11,684	12,301
Deferred tax assets		1,588	1,673
Goodwill		31,989	31,946
Other intangible assets		123	217
Other non-current assets		262	-
Total non-current assets		50,053	49,962
Total assets		71,193	71,794
Current liabilities			
Trade and other payables		7,960	9,080
Interest bearing loans and borrowings		3,374	5,146
Income tax payable		1,377	981
Provisions		3,001	3,108
Total current liabilities		15,712	18,315
Non-current liabilities			
Interest bearing loans and borrowings		4,921	5,322
Deferred tax liabilities		718	608
Provisions		496	339
Total non-current liabilities		6,135	6,269
Total liabilities		21,847	24,584
Net assets		49,346	47,210
Equity			
Contributed equity	7	38,355	38,355
Retained earnings and reserves		9,540	7,612
Capital and reserves attributable to equity holders of the parent		47,895	45,967
Minority interest		1,451	1,243
Total equity		49,346	47,210

The consolidated balance sheet is to be read in conjunction with the notes to the half year financial statements included on pages 13 to 18.

Consolidated Statement of Changes in Equity For the half-year ended 31 December 2008

	Note	Contributed equity \$'000	Retained Earnings and reserves \$'000	Minority interest \$'000	Total equity \$'000
At 1 July, 2008		38,355	7,612	1,243	47,210
Profit for the period – parent		-	4,455	-	4,455
Profit for the period - minority interests		-	-	208	208
Total recognised income and expense for the period		-	4,455	208	4,663
Transactions with equity holders in their capacity as equity holders:					
Dividends paid	5	-	(2,743)	-	(2,743)
Foreign exchange translation reserve		-	216	-	216
		-	(2,527)	-	(2,527)
At 31 December, 2008		38,355	9,540	1,451	49,346
Total equity attributable to equity holders of the parent		38,355	9,540	-	47,895
Amounts attributable to minority interests		-	-	1,451	1,451
		38,355	9,540	1,451	49,346

	Note	Contributed equity \$'000	Retained Earnings and reserves \$'000	Minority interest \$'000	Total equity \$'000
At 1 July, 2007		38,355	5,456	-	43,811
Profit for the period – parent		-	4,734	-	4,734
Profit for the period - minority interests		-	-	59	59
Total recognised income and expense for the period		-	4,734	59	4,793
Transactions with equity holders in their capacity as equity holders:					
Dividends paid	5	-	(2,351)	-	(2,351)
Foreign exchange translation reserve		-	(132)	-	(132)
Minority interest on acquisition of subsidiary		-	-	1,327	1,327
		-	(2,483)	1,327	(1,156)
At 31 December, 2007		38,355	7,707	1,386	47,448
Total equity attributable to equity holders of the parent		38,355	7,707	-	46,062
Amounts attributable to minority interests		-	-	1,386	1,386
		38,355	7,707	1,386	47,448

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 18.

Consolidated Cash Flow Statement For the half-year ended 31 December 2008

	31 December 2008	31 December 2007
Note	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	47,067	44,646
Payments to suppliers/employees (inclusive of GST)	(40,615)	(36,485)
Interest and other costs of finance paid	(527)	(613)
Income tax paid	(1,410)	(3,217)
Net cash provided by operating activities	4,515	4,331
Cash flows from investing activities		
Interest received	109	97
Payment for property, plant and equipment	(938)	(1,051)
Payment for acquisition of businesses, net of cash acquired	-	(6,489)
Net cash (used in)/provided by investing activities	(829)	(7,443)
Cash flows from financing activities		
Related party loans (net)	(49)	(53)
Proceeds from borrowings	6,641	13,100
Repayment of borrowings	(8,765)	(4,757)
Dividends paid	(2,743)	(2,351)
Net cash (used in)/provided by financing activities	(4,916)	5,939
Net (decrease)/increase in cash and cash equivalents	(1,230)	2,827
Cash and cash equivalents at the beginning of the period	3,484	2,145
Cash and cash equivalents at the end of the period	2,254	4,972

The consolidated cash flow statement is to be read in conjunction with the notes to the half year financial statements included on pages 13 to 18.

Notes to the financial statements for the half-year ended 31 December 2008

1. Corporate Information

The financial report of Wellcom Group Limited (the Company) for the half-year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 19 February 2009.

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

2. Statement of significant accounting policies

(a) Basis of preparation

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards, including AASB 134 *Interim Financial Reporting*, and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC class order 98/0100. The company is an entity to which the class order applies.

For the purpose of preparing the half-year financial report, the half year has been treated as a discrete reporting period.

These accounting policies have been consistently applied by each entity in the Group and, except where there is a change in accounting policy resulting from the adoption of applicable amending or new accounting standards, are consistent with those of the annual financial statements for the year ended 30 June 2008.

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.

The half year financial report should be read in conjunction with the annual financial report of Wellcom Group Limited for the year ended 30 June 2008. The consolidated annual financial report of the Group as at and for the year ended 30 June 2008 is available upon request from the company's registered office at 870 Lorimer Street, Port Melbourne, Victoria 3207, Australia or at www.wellcom.com.au.

It is also recommended that the half-year financial report be considered together with any public announcements made by Wellcom Group Limited and its controlled entities during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

(b) Statement of compliance

The half year financial report complies with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures that the financial report, comprising the financial statements and notes thereto, complies with International Accounting Standard IAS 134 '*Interim Financial Reporting*'.

(c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Wellcom Group Limited and its subsidiaries as at 31 December 2008 ("the consolidated entity" or "the Group").

2. Statement of significant accounting policies (continued)

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different conditions and may materially affect financial results or the financial position reported in future periods.

Significant accounting judgements

(i) Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

Significant accounting estimates and assumptions

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which the goodwill is allocated.

(ii) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

3. Segment Reporting

Segment results include items directly attributable to a segment, in addition to those that can be allocated on a reasonable basis.

Primary reporting format – business segments

The Group operates predominantly in two main business segments being pre-media and web offset printing.

The following table presents revenue and profit information for business segments for the half years ended 31 December 2008 and 31 December 2007.

Half year ended 31 December 2008	Pre-media	Web Printing	Eliminations	Total continuing operations
	\$'000	\$'000	\$'000	\$'000
Segment revenue	30,639	13,317	(1,195)	42,761
Segment result	6,393	570	(34)	6,929
Unallocated expenses				(753)
Results from operating activities				6,176
Net finance costs				(94)
Joint venture revenue				582
Income tax expense				(2,001)
Profit from continuing operations				4,663
Minority interest				(208)
Profit for the period				4,455

Half year ended 31 December 2007	Pre-media	Web Printing	Eliminations	Total continuing operations
	\$'000	\$'000	\$'000	\$'000
Segment revenue	28,609	12,337	(1,079)	39,867
Segment result	7,480	145	(48)	7,577
Unallocated expenses				(1,116)
Results from operating activities				6,461
Net finance costs				(233)
Joint venture revenue				674
Income tax expense				(2,109)
Profit from continuing operations				4,793
Minority interest				(59)
Profit for the period				4,734

3. Segment Reporting (continued)

Secondary reporting format – geographical segments

The Group operates in two main geographical segments, Australasia and the United Kingdom. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

The following table presents revenue and profit information for geographical segments for the half years ended 31 December 2008 and 31 December 2007.

Half year ended 31 December 2008	Australasia	United Kingdom	Eliminations	Total continuing operations
	\$'000	\$'000	\$'000	\$'000
Segment revenue	37,712	5,049	-	42,761
Segment result	6,661	490	(222)	6,929
Unallocated expenses				(753)
Results from operating activities				6,176
Net finance costs				(94)
Joint venture revenue				582
Income tax expense				(2,001)
Profit from continuing operations				4,663
Minority interest				(208)
Profit for the year				4,455

Half year ended 31 December 2007	Australasia	United Kingdom	Eliminations	Total continuing operations
	\$'000	\$'000	\$'000	\$'000
Segment revenue	35,992	3,875	-	39,867
Segment result	6,289	1,364	(76)	7,577
Unallocated expenses				(1,116)
Results from operating activities				6,461
Net finance costs				(233)
Joint venture revenue				674
Income tax expense				(2,109)
Profit from continuing operations				4,793
Minority interest				(59)
Profit for the year				4,734

4. Profit from Operations

	31 December 2008 \$'000	31 December 2007 \$'000
Revenue and expenses from operations		
(a) Revenue		
Revenue from the rendering of services	42,761	39,867
	42,761	39,867
(b) Other income		
Rental income	115	122
Interest income	73	104
Net gains on disposal of property, plant and equipment	48	-
Other	82	23
	318	249
	43,079	40,116
(c) Employee benefits expense		
Salaries and wages	15,529	13,320
Fringe Benefits Tax	52	50
Staff amenities	71	70
	15,652	13,440
(d) Depreciation and amortisation		
Depreciation of non-current assets	1,555	1,603
Amortisation of non-current assets	101	304
	1,656	1,907
(e) Finance costs		
Interest on commercial bills	137	193
Other interest expenses	390	420
	527	613

5. Dividends Paid and Proposed

Details of dividends declared or paid during or subsequent to the period ended 31 December 2008 are as follows:

(a) Dividends declared and paid during the period:

Final dividend for the 30 June 2008 financial year of 7.0 cents (2007: 6.0 cents) per ordinary share paid on 24 September 2008 (fully franked).

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

Interim dividend for the half year ended 31 December 2008 of 6.0 cents (2007: 6.0 cents) per ordinary share (fully franked) proposed to be paid on 9 April 2009.

	31 December 2008 \$'000	31 December 2007 \$'000
	2,743	2,351
	2,351	2,351
	5,094	4,702

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

	31 December 2008 \$'000	30 June 2008 \$'000
39,190,001 Fully paid ordinary shares	38,355	38,355
<i>Movement in ordinary shares on issue:</i>		
At 1 July 2008	39,190	38,355
At 31 December 2008	39,190	38,355

8. Net tangible asset backing

	31 December 2008 cents	31 December 2007 cents
Net tangible asset backing per ordinary share	43.98	36.87

9. Associates and joint venture entities

Wellcom Group Limited holds a 50% (2007: 50%) shareholding in the joint venture entity iPrint Corporate Pty Limited. iPrint Corporate Pty Limited contributed \$582K (2007: \$674K) 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 20 March 2009. The payment date of the dividend will be 9 April 2009.

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.