



WELLCOM GROUP DELIVERS SOLID GROWTH FROM CONTINUING OPERATIONS AND RAISES DIVIDENDS PER SHARE

22 FEBRUARY 2012

Wellcom Group Limited (Wellcom) (ASX: WLL), a leading provider of pre-media and digital asset management services in Australia, NZ, Singapore, Malaysia and the United Kingdom, primarily to corporations and retailers, today announced its results for the half year ended 31 December 2011.

	1H12 \$m	1H11 \$m	Change
Statutory Revenue	48.06	29.10	65%
Net revenue (excl. print management pass through costs)	29.56	27.28	8%
EBITDA	8.14	7.59	7%
EBIT	7.13	6.62	8%
EBT	7.44	6.72	11%
Profit after tax from continuing operations	5.27	4.94	7%
Profit after tax from discontinued operations	-	0.47	
Statutory profit after tax	5.27	5.41	-3%
	¢	¢	
Earnings per share – from continuing operations	13.45	12.59	7%
Earnings per share - statutory	13.45	13.81	-3%
Dividend per share	8.0	7.5	7%
Franking (%)	100	100	-

In commenting on the result, Mr Wayne Sidwell, Executive Chairman of the Wellcom Group said, "We are pleased to report a result reflecting a 7% increase in profit after tax from

continuing operations. This growth has been underpinned by the successful integration of the UK pre-media business, transition of the print management business, and careful cost management in response to pricing pressure.”

OPERATING PERFORMANCE

Wellcom recorded statutory revenue of \$48.06m for the half year to 31 December 2011 (1H11: \$29.10m), representing an increase of 65% over the previous corresponding period. Net revenue (excluding print management pass through costs) of \$29.56 million for the half year represented an increase of 8% over the previous corresponding period. This result includes the sales contribution from the acquisitions of iPrint Corporate Pty Ltd and Mission Possible (Create) Ltd together with new contract wins within the pre-existing business in Australia.

Group margins on a normalised net revenue basis continued to improve, increasing 2% to 27% for the half year, notwithstanding further investment in the growth of the software development division.

Earnings before tax increased 11% for the half year to \$7.44m (1H11: \$6.72m) including an increase in net interest income of \$0.2m to \$0.3m resulting from an increase in cash and cash equivalents.

Profit after tax from continuing operations increased by 7% to \$5.27 million, and reflects an average tax rate across the Group of 29% (1H11: 27%). The lower average tax rate in the prior corresponding period related primarily to joint venture profits being recognised as dividends and their subsequent tax free contribution to Group profits.

CASH FLOW AND BALANCE SHEET

At the 31 December 2011 Wellcom has no net debt with cash and cash equivalents in excess of interest bearing liabilities by \$13.81 million (1H11: \$9.16 million). This, in combination with \$7.97 million of unused facilities, provides significant capital to pursue growth opportunities as they arise.

DIVIDEND

The Directors have declared a fully franked interim dividend of 8.0 cents per share, an increase of 7%. The record date for determining entitlements to the interim dividend is 6 March 2012, and payment will occur on 21 March 2012.

OUTLOOK

Following the solid first half performance, and based on full year contributions from recent acquisitions and the growth in graphic design and digital services in Australia, together with a continued focus on careful cost management, Wellcom remains cautiously optimistic of achieving solid EPS growth for the year.

For further information contact:

Wayne Sidwell
Executive Chairman
Wellcom Group Limited
(03) 9946 8000