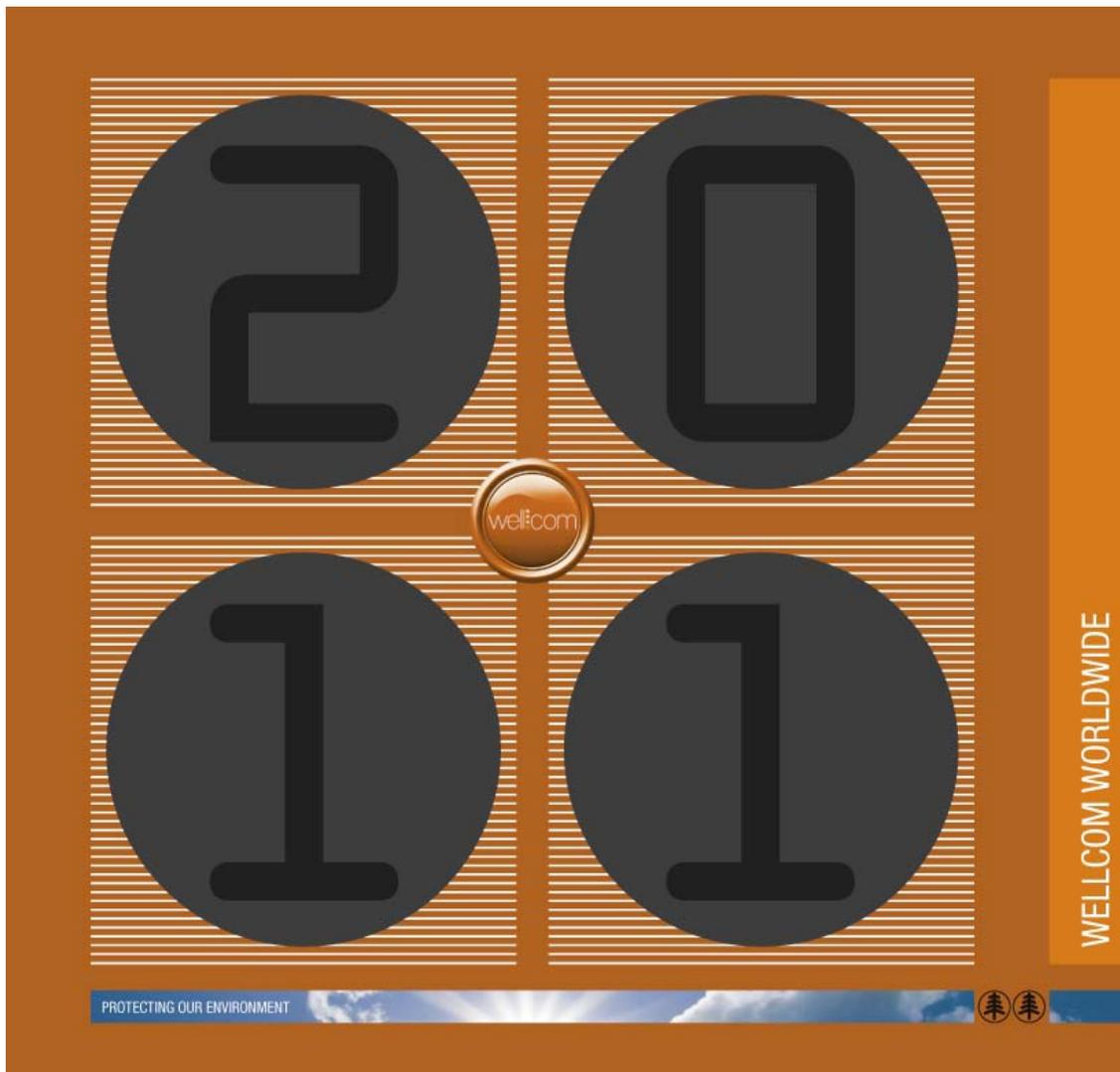


October 20 2011

# WELLCOM GROUP AGM

## CHAIRMAN'S REPORT



Good morning and welcome to the Wellcom Group Limited Annual General Meeting for 2011.

Before I commence the proceedings I would like to introduce my fellow Board of Directors to you – Mr Kerry Smith, and Mr Charles Anzarut. Welcome gentlemen.

And I am Wayne Sidwell, Executive Chairman and C.E.O. of the Wellcom Group.

We are also joined by our company auditor Mr Jude Lau, Partner, HLB Mann Judd and a warm welcome to you Jude.

Your Board has been very active over the last 12 months through a hands on approach receiving strategic representations from senior management and then guiding the organisation for 2011-12.

Your Board has also actively worked towards steering and maintaining the company's financial position to zero net debt, and in spite of a recent strategic acquisition, has maintained this position.

This is significant for two reasons, and both are equally important for the coming year.

The first is to shore up what could prove to be a second term of economic uncertainty across the global frontier and prepare a buffer zone for the possible tightening of the economy.

Secondly it means we can use some of the cash to continue our very careful planning, and well researched acquisitions strategy.

The global picture for Wellcom is unfolding. Our global position is significant and our fledgling businesses in Singapore and Kuala Lumpur are now established and ready for expansion.

Let me also state that we are comfortable with the global position, further complemented by our businesses in London, Auckland, Sydney, Melbourne and Adelaide.

Our Group revenue has grown, and our fully franked dividend has increased by 18%, and the payout ratio maintained at over 70%.

**Financially the position reflects a positive outcome for the Group for 2011.**

In summary –

Sales revenue from continuing operations increased to \$57.25 million – this is up 5% year on year.

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Net profit after tax from continuing operations increased to \$9.15 million – up 19% year on year.

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Statutory net profit after tax increased to \$9.62 million – up 26% year on year.

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Our EBITDA increased by over 6% to \$13.82 million.

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EBIT increased by over 13% to \$11.85 million.

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EBIT margin increased to 21% from 19%..

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Earnings Per Share (or EPS) from continuing operations rose to 23.34 cents - an increase of 19% from the previous year.

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Dividend Per Share was up 18% to 16.5 cents.

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Franking remains at 100%.

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We have no net debt.

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We have improved Group operating margins.

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Our UK operation has returned to consistent profitability.

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We exited sheetfed and web printing and have pursued our preferred technology in the digital media arena.

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We acquired the balance of the iPrint business and brought the operation into the Wellcom Group banner.

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Our operational cash flow position remains strong setting the foundations for what may be uncertain times ahead economically.

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**PAUSE**

**I'm also pleased to announce that we have embarked on a new environmental strategy that will offer strong credentials for the Group moving forward.**

This has been a positive result and I'm delighted to be able to say to our shareholders that your dividend has increased around 18% year on year, to 16.5 cents per share.

Doing the business analytics we recognise where the growth has been achieved and it's no mere coincidence that it correlates directly with our business planning strategies outlined in 2010.

With the UK performance going from negative territory to consistent profit, we have seen a very good turnaround and I will discuss this in my review.

Also reflected in our sales revenue is the continued success of the Total Facilities Management Hubs businesses. Revenue from this business sector increased again and now equates to 67% of our total revenue. They remain the strongest upsell and cross-sell opportunity for the Group and this will continue.

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## **Review of Operations 2010-11**

I am pleased with the overall Group performance.

All Wellcom businesses have performed well. This is partly due to the major restructuring that took place between 2009 and 2010, and also due to the re-focus and hard work from the Wellcom managers and staff who support them.

Last year I elaborated on four main defining initiatives that have now been actioned and completed.

These included:

### **1 Robust Business Reviews for Future Planning.**

These have been done and the result has seen reduced cost globally, better margin across the board, and UK's strong return to profitability.

### **2 Worldwide expansion.**

We have embarked on a new acquisition that has increased business in London and Singapore.

### **3 International high speed communications links creating business flexibility.**

This has been completed and is now operational. It also means our global offices are linked through our own worldwide technology link. Without getting technical Wellcom can deliver information for any client via a fast digital channel globally using our own 'cloud' technology.

#### 4 Future Knowledgewell planning and rollouts.

The planning for the latest and most advanced software rollout was completed and it is currently in build stage for delivery in 2012.

I don't want to pre-empt what this Knowledgewell rollout will do, but it will be the most significant update the Group has ever made in terms of software upgrade in one development

It is an exciting period ahead for our technology and Knowledgewell development.

**PAUSE**

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Last year I talked about change across the board for the Wellcom Group. Senior management committees recommended the changes in 2010 and these were presented to the Board and in due course ratified.

The changes have all been actioned, and were identified at that time, and resulted in varying re-structures globally – some were significant changes.

What pleases the Board are these three outcomes:

- increased revenue;
- improved margin and;
- an increase in overall profit.

This hasn't happened by accident or good fortune. It was based on the major initiatives commenced last year that came about through change.

Senior managers and middle managers alike, identified that we had to be flexible – and that it was flexibility, that was the key to success.

They had to be to identify where change was required, determine what the changes had to be and then action accordingly.

Change is good. Change is necessary – and change (when fully planned and well executed) continues to form the basis and success of our business moving forward.

2011 is a building year for the next generation of our proprietary software Knowledgewell. Fully scoped, this new development is tracking to plan, and I am very excited about the release in 2012.

Knowledgewell is the Group's DNA and underpins everything we do in terms of interconnectivity with all our clients and their content and digital assets.

Knowledgewell also differentiates us from our competitors as it addresses specific client needs. We work with our clients and build software to meet their requirements.

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**TFMs have been our success story.**

The acronym TFM stands for Total Facilities Management. These are Wellcom business studios that we place inside a client's business premises.

About ten years ago we set up our first hubs. From humble beginnings, they (along with Knowledgewell) became the backbone and key strategies that have placed the business where it is today. We now have around forty TFMs (hubs), located in many of the worlds largest retailers and corporations including Woolworths, Australia Post, ANZ Bank, Optus, Ford, Repco, Pacific Brands, L'Oreal, Courts Singapore, Westpac and Selfridges UK.

They represent the biggest single revenue channel in the Wellcom Group. They also represent the biggest contribution to upsell and cross-sell and this is a principal source of organic growth for the Group.

TFMs create client content. This is the key – content creation followed by content management. Control the content and manage it properly – that is the ultimate objective. Content is king!

Today, content creation in hubs is not limited to just artwork services – far from it. Today it includes digital photography, high level design services as well as online media.

I'm proud to announce that 2011 now extends our hubs offering to around forty TFMs across Australia, New Zealand, the UK, Singapore and Kuala Lumpur.

Hubs were also the central focus for the Singapore and Malaysian businesses. The Courts business is doing very well and having this as a working proof-of-concept is opening open up opportunities for potential new hubs.

The UK has now setup four hubs and I will elaborate more on this in a moment. The New Zealand operation has also set up its first hub with AMP in Auckland.

Last year I said that around 90% of all Wellcom products are fundamentally sold through hubs, including the centrally managed specialist services of:

- online web design
- TV and video production
- package design
- product design
- digital photography
- 2D illustration
- 3D illustration
- 360 degree digital photography
- creative retouching,
- digital print.

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## **Knowledgewell – the corporation's DNA software**

As I stated previously, 2011 has been a build year for the very latest online approval software that will revolutionise retail marketing.

2011 has also seen the greatest interest in Knowledgewell as a stand-alone product offering. This is pleasing for several reasons and they include:

- no new staffing requirement
- the software offers good margin
- the cost is basically fixed regardless of the number of clients.

The Knowledgewell software key component is called DAM – Digital Asset Management. It's a cyber warehouse with built-in smarts. In layperson terms, think of it as a massive physical warehouse that holds an entire organisation's inventory.

This includes a stock management system that can load items into the warehouse, locate items, identify them with their complete history, and deliver them out of the warehouse within minutes to any given destination.

So putting this back into cyber perspective, the types of digital assets include:

- images
- photography
- artwork
- schedules
- video / tv
- sound files
- presentations.

In terms of software it can include a client's corporate guidelines, brand management, marketing and advertising collateral, power-points, Excel spread sheets and word documents. Storage from a few kilobytes to 50 terabytes should a client so choose.

That's Knowledgewell DAM.

But it doesn't stop there, DAM has a suite of in-built smarts embedded into the software and can include every piece of history about that digital asset – where it came from – who built it – who uploaded it – what licensing or copyright encumbrances it's subject to including expiry dates.

It also has ownership and viewing permissions; a complete audit of who has opened the file and what they did with it; plus the vital aspect of version control.

This is just the beginning of the Knowledgewell journey. This year we have extended the offering.

Today a client's Knowledgewell cyber warehouse of digital images can now talk to their website.

Images can now load 'on the fly' from Knowledgewell rather than a client having to store them remotely on their website.

On top of this Knowledgewell can receive feeds from the client's actual warehouse on stock levels and availability, as well as feed meta data including marketing copy and pricing into the offering.

To sum up let me say this. Our DAM Knowledgewell software is world's best practice and every organisation whether they realise now or not, requires an enterprise managed asset library, and we have the solution.

Just having a system that interlinks with inventory feeds for eCommerce takes the offering to a new level. For those clients who have eStore capability or even aspirations to go down this route – to them I say, we have the solution.

We are ready to fulfil this need internationally. I am confident that 2012 shall begin our extension into new significant software deployments.

## **Pre Media Australasia**

### **2011 Summary**

This division includes Melbourne, Sydney, Adelaide, Auckland as well as Digital House in Melbourne, and is the single biggest division in the Wellcom Group.

Margins were basically maintained and organic growth grew 5% on the back of hubs upsell and more demand for design services.

The lead client segmentation group for organic growth (as well as the biggest new business sector) were financial institutions. Therefore it's no coincidence that this matches Australia's two speed economy. This sector represented Wellcom's biggest growth area for 2010-11.

TV and video post production have increased in production volumes. They have built a fantastic folio of work and already enjoy a strong reputation for providing high creative and post production standards as well as value for money.

Web design and development, packaging design and creative 3D and 2D illustration have remained good contributors.

Photography has been a steady product offering throughout the entire history of the Wellcom Group.

For 2010-11 we have seen some significant increase in the demands for digital photography and this I believe will become an even bigger offering next year and something I will elaborate on shortly.

Auckland has come of age with the new business win of AMP. Not only is this very good news for the Auckland team, but what is more significant is that it is a hub rollout.

This means of course that Auckland has its first significant corporate hub that can be leveraged as a proof of concept in their own market.

### **2012 Outlook for Pre-media Australia**

As with all our markets globally there are some ominous dark clouds on the horizon for the Australian and New Zealand landscape. It's difficult to predict what this will look like or who it will impact the most.

We have worked hard. All indicators show that in the marketplace we are seen as offering a very good service based on very competitive rates.

Most of our clients see us this way and due to the GFC in 2008-09 we diligently formulated cost cutting measures in such a way as to guarantee we did not risk any drop in quality delivery to clients.

This is part of the preparation we take into 2012 to weather any future turbulence.

I have been buoyed by the increased demand for digital photography services especially in the retail market. Sydney has very high level capacity studios at Waterloo with backup at Ultimo.

Melbourne's photography facilities are only five years old but already they are outgrowing their space. We recently added our first daylight studio at Lorimer Street to service the new trend for outdoor lighting in controlled studio situations, but this is not meeting the strong demands for photographic services.

As a consequence we are building custom facilities down at Fisherman's Bend to accommodate the increased demand for digital retail photography in 2012. These studios will be state-of-the-art operational capabilities and will be ready for January 2012.

This building will also be shared by our digital print business, Digital House. Currently they are located in South Melbourne in premium commercial business space which is unsuitable and too small for increasing productivity levels. It's now time to invest in this business and give them their own state-of-the-art facility.

Digital House has had another very good year.

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Also in 2012 the emphasis for Pre-media Australasia will be on organic growth

closely followed by new business.

In spite of a weakened retail economic forecast there will always be strong competition for retail sales – regardless of what may happen next year, people have to buy necessities of life.

The way in which consumers buy things may change but nonetheless they must buy – food, apparel, pharmaceuticals, finance or beauty care. And we heavily service these retail sector clients.

Our retail upsell, looks like this:

1. To foster sales retailers must market their merchandise.  
To display their merchandise they need to use photography – hence our investment in new studios.
2. Once the merchandise has been captured, they require an Asset Management System to store their images correctly – hence our ongoing development in Knowledgewell and Digital Asset Management.
3. Once the images have been catalogued and stored retailers require a vehicle to get the message out to the mass consumer – hence the success we are getting from retail hubs producing catalogues, press ads and then the growth corridor of online catalogues and eCommerce sales – hence our ongoing development into online production and technology.

The production line is set and we are in the middle of what I believe will be an exciting new era for the Wellcom Group.

When you match the necessities of life purchases to clients like Woolworths, Coles and FoodWorks, then it becomes obvious that we are well positioned in this sector.

In the high spend hardware sector, we have picked up Woolworth's new brand Masters Hardware. I firmly believe that under the Woolworths management this will become our fastest growing client for 2012.

And with the ageing population, the spend on pharmaceuticals increases annually. This is not impacted by economic volatility. I'm pleased to announce one of the industry's biggest suppliers, Sigma Pharmaceuticals, is now one of our new clients for 2011.

The other biggest disposable income spend is beauty products and to service this we have API Priceline and L'Oreal.

When you have apparel retailers, there will be competition for possibly less discretionary spending, but again people need clothing. Enter David Jones, Harris Scarfe, Selfridges and Pacific Brands.

Retail is dynamic and it will take on many sales channels. Whatever that sales channel may be, the Wellcom Group offers a solution to match.

**iPrint**

We have acquired the 50% shareholding held by Australia Post and incorporated iPrint into Wellcom Print Management.

Strategically it is a better solution for us and makes the print side independent of third party ownership. This had been an issue for the iPrint brand since its inception and we expect that the offering will be easier for our clients and easier to sell in.

PAUSE →

## Pre-media UK 2010-11 Overview

Wellcom London is situated in the commercial hub of London's central business district surrounded by financial institutions and corporations.

The London facility has been purpose built and offers a perfect backdrop to what is an exceptional standard of work across their product spectrum. There is little doubt as to why this business has been accredited to ISO 9,001 status and Environmentally credentialed to ISO 14,001 status.

Only twelve months ago the London office was running at a loss. I'm very pleased to say that it has turned the corner and has consistently turned over a profitable month on month shift for 2010-11.

This was a result of change management, process re-engineering and highest productivity gains without compromising the very high quality standards that Wellcom London is famous for.

I commend the management and staff for the hard work and effort that has turned this business around so quickly.

Now with three photography hubs operating around the clock, Wellcom London shoots 32,000 images including 360 degree fashion and accessories images per annum for Selfridges alone. This includes finishing, meta data input and uploading.

Again all this photographic imaging is generated for Selfridges homesite for on-line consumer purchasing.

## **Pre-media UK 2011-12 Outlook**

Before I start, it is common knowledge that Europe is close to economic recession. What this means for the European market is uncertain. The UK government said as late as October 8 that the major lending banks in Britain can sustain another GFC, but that's just the banks – not other market sectors such as retail. (Incidentally 75 billion pounds is being pumped into the UK economy, as we speak.)

We have been through it once before and we understand the potential impacts on the London business. I believe we have a formula in place to bring about change to meet just about any circumstance. The business model is flexible – the people remarkably resilient.

The UK business is a great business. Clients have to go a long way to better the quality of product or service delivery and it is very competitive against some stiff competition.

What I also want to add at this point is a significant acquisition we made in London, that, at the same time, has important and highly positive consequences for our Singapore operations.

We have been selling into the London marketplace the concept of hubs.

After winning the BBH business in Singapore with an agency pre-media hub and Knowledgewell offering, a further opportunity was identified. This opening was consideration to take over the BBH agency studio in London, which was owned by a third party UK pre-media company.

The business was called Mission Possible and it was an obvious and timely decision that the Board (after doing all the mandatory due diligence) considered a buy-out. I'm proud to announce that we have achieved the acquisition and gained our first design and artwork hub in London, and another hub in Singapore.

What this means for us in London is that other advertising agencies will now take a serious look at our hubs offering, and now that we have a genuine proof of concept, we can take the offering to other corporations at a time when every pound is going to count.

In summary, and in spite of uncertain times ahead, I believe our business offering and our cost competitiveness augers well for the London business in 2012.

**Pre-media Asia**

It's been a full trading year for the Singapore and Kuala Lumpur businesses. This business win off the back of the Courts Mega Stores retail business was the perfect entree for the Wellcom Group into Asia.

It meant we didn't have to buy into local businesses or endure shared equity arrangements. It was also done without impacting our zero debt or strong cash positions.

The business was nonetheless set up against a backdrop of reasonably high, but one off, entry deployment costs, for hardware and infrastructure. But now established, some of these costs will be defrayed against other new business.

Revenue margin was low to get into this market. This is something that had to be understood and managed. What it meant was a dependence on increased productivity to offset the margin situation.

Through operator re-training and up-skilling, plus far more efficient workflow and better software, we are increasing efficiencies and in turn margin. This is a classic Knowledgwell success story.

I don't want to make too fine a point on this, but the exercise in terms of our learning curve on Asian rules of engagement and process negotiation has been invaluable.

**Pre-media Asia Outlook for 2011-12**

As mentioned in the Wellcom London report we purchased Mission Possible in the UK. This has added to our Singapore business with a design and artwork hub, and a pre-media hub with Knowledgewell deployment.

Thus we have two retail hub accounts, one in Singapore and one in Kuala Lumpur, and two hubs operating out of the Bartle Bogle Hegarty business in Singapore as well.

I place great store in the BBH advertising business. It exposes us to some of the very best worldwide brands located at the epicentre of Asian commerce. And this in itself, opens up further opportunities.

Here are just some of the BBH list of clients:

- Levis
- Unilever
- British Airways
- Google
- Burberry
- Dulux
- Waitrose

We also have quite a few new business opportunities, all of which make me very excited for the Group in Asia.

PAUSE

## **New Business**

I'm always happy to announce new business and this year the list is impressive.

This includes the Mission Possible business that places Wellcom hubs in BBH London and Singapore.

Mentioned previously I'm proud to announce Auckland's new business hub win with AMP and the addition of Dick Smith NZ. I applaud the hard work done by our new business development team, to win these two high profile pieces of business.

Back home we have added new business with BT Financial Services, American Express and Citibank. These clients join our strongly represented financial sector client list that includes Westpac, ANZ, St George, Bank of Melbourne, Bank of South Australia and HSBC in London.

In the liquor retail sector we have added Dan Murphys and the Liquor Marketing Group.

In home improvements and home furnishings we have added the quality brand HOUSE.... and one that really excites me (probably due to the fact that we are in at the very start of their launch) is Woolworths new business MASTERS HOME IMPROVEMENTS.

What is good about a client like MASTERS HOME IMPROVEMENTS is the fact that it a new national hardware chain, it will require digital product photography, an asset library and catalogue production.

All in all I am very pleased with the new business gains for 2010-11.

### **2011/12 Strategic Plan**

The right strategies are key to our future.

To offer some background, your Board exhaustively scrutinises each and every strategy put forward by senior management. Our focus has been on strategies that add value – now and into the future. All in all it's part of our joining the dots focus globally.

The business strategies for 2012 include:

- Firstly, a very strong Asian focus to become a bigger part of this resilient and vibrant marketplace. This strategy for Asia is simple – increase productivity through Knowledgewell, maintain the up-skilling policy, and grow the business based on the current blue chip client list.
- The BBH business and the Mission Possible acquisition add the very superstructure to make this strategy the launch platform for 2012 in both Singapore and London.
- A strong push into the U.S market through current relationships held currently in London with DKNY, GAP and Estee Lauder.

- Also in 2012 we launch the most comprehensive and complete Knowledgwell software to date. It will take our proprietary software beyond anything seen to date. Furthermore it offers clients a carbon neutral workflow for those corporates whose very credentials depend on such credentials and scrutiny.
- Our joining the dots policy of building relationships in one region and then extending the relationship to other regions. These have already been achieved with Repco into NZ, Dick Smith into NZ, BBH into London and as I mentioned, new connections on foot for the U.S.
- Reinvigorate our relationships with advertising agencies and better explain our position in the marketplace. For example this chart clearly articulates and delineates agencies from the Wellcom offering.

**AD LIB ON CHART BELOW**



It is critical that this is understood so that the Wellcom offering can be better explained to potential agency client or client partners, or directly to corporate or retail clients, who may not see (or appreciate) where Wellcom fits into the marketing foodchain.

- Organic growth through the introduction of Wellcom's 100 plus products and services through upsell and cross sell initiatives.
- Further hubs push into retail, corporate and manufacturing businesses.
- Further and serious look at acquisition options globally.
- Take a deliberate cross-sell strategy out to market to sell digital print, VM digital, Variable data large format print and personalised digital print through the hubs network and account management streams, and continue to cross sell into digital on-line markets.

The final new strategy is our new Environmental Plan.

We believe as an organisation that the effects of climate change will create potential economic, social and economic consequences in the future.

We consider that wherever we can minimise our carbon footprint, such

implementation once identified, must be addressed.

This is a whole of Group policy – it will include future acquisitions, and includes accreditation of our supply chain.

Our London office is already ISO 14,001 accredited.

Part of our environmental strategy is to be the creation of a new Environmental Committee headed up by our C.O.O. He will be empowered to implement and oversee our new global approach in controlling our global footprint.

I will report on our progress to shareholders at least annually, so you can better appreciate our efforts.

**The General Outlook for 2011/12**

Predictions point to a possible slowing global economic outlook and there are the current and potential imbalances in economic performance in both the U.S and Europe. Locally we are subjected to the two-speed economic situation– and then there will be the fallout from whatever may come out of the US and Europe.

In spite of this I am quietly optimistic for 2011-12.

Asia is doing well and I believe it will remain so .... and a good deal of work has been done in all markets to future-proof our global businesses, and maintain revenue and hold margin.

The London office has successfully made in-roads into the American market with the Donna Karan/DKNY and GAP business, in association with advertising agency Laird and Partners.

This places London at the epicentre of potential new work and new business connections within America, as well as funneling relationships into Wellcom Asia.

The acquisition of Mission Possible has been a quiet coup for both Wellcom UK and Wellcom Singapore. The one purchase has launched two hubs in two countries.

We had already signed BBH to a Knowledgewell relationship in Singapore, and it was a natural progression that their studio and production hub should also be linked through the Wellcom Group.

This now gives Wellcom serious bona fides in both markets for future hub rollouts.

The steady growth in TFMs will continue.

Under the two speed economic situation in Australia, only two market sectors manage to remain unscathed. These are the resources and financial sectors.

Wellcom has picked up further new financial clients and now services many of the major banks and credit organisations. This is a fine achievement and I believe we can expect continued growth in this sector.

Retail catalogues remain popular. Current research points to these remaining so for 2011-12.

Wellcom remains the biggest builder of catalogues in Australasia, and although the retail sector is slowing down, all indicators are for a continued 'business as usual' Christmas production period.

Knowledgewell's future is looking bright. It is the organisation's DNA. The *Next Generation* Knowledgewell software launches in 2012 and this updated version literally manages entire campaigns and catalogues through a host of features including:

- digital signatures for approvals
- financial planning
- versioning by territory
- product selection via the image library.

Included in the planning cycle is the ability to interconnect teams, delegate responsibilities, post time lines and monitor milestones. But one of the very best features is Knowledgewell's environmental credentials through the creation of a virtual paperless office.

Along with Knowledgewell hubs are the backbone product offering of the entire Group. They return 67% of total revenue and have grown annually.

I believe the outlook remains positive for 2011-12.

**We now commence the formal part of the meeting:**

I now ask you to receive and consider the reports of the Directors and the Auditor, and the financial statements for the year ended 30 June 2011 for the Company, and its controlled entities.

Are there any shareholder questions and/or comments on any aspect of the financial statements and reports?

**Do I have anyone to propose the adoption of the Financial Statements and Reports?**

**Do I have a seconder for the motion? .....Thankyou.**

All those entitled to vote and are in favour of the motion to adopt the Financial Statements and Reports, please raise your voting cards.

**Motion carried.**

The next item on the agenda is the Remuneration Report. Please note this is a non binding vote.

I would ask you to consider and if you think fit, pass the following as an ordinary resolution:

**Resolution 1:** "That the Remuneration Report for the financial year ended 30 June 2011 be adopted".

I, as Chairman of the meeting advise I am holding 48 valid shareholder proxies in relation to this resolution, which represents 4,729,540 ordinary shares, being:

37 proxies for and 11 proxies against. The proxy's voting in favour of the resolution represent 98.09% of the shares voted.

**Do I have anyone to propose this resolution? .....Thankyou.**

**Do I have a seconder for the motion? .....Thankyou.**

**All those entitled to vote and are in favour of this motion, please raise your voting cards.**

**Resolution passed as an Ordinary Resolution.**

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The next item on the agenda is the re-election of company directors.

I ask you to consider, and if you think fit, pass the following as an ordinary resolution:

**Resolution 2:** "That Mr Charles Anzarut who, in accordance with clause 12.11 of the Constitution of the Company, retires from office, and being eligible, offers himself for re-election as a Director of the Company".

I, as Chairman of the meeting advise I am holding 59 valid shareholder proxies in relation to this resolution, which represents 4,879,056 ordinary shares, being:

52 proxies for, 1 proxy against and 6 open proxies. The proxy's voting in favour of the resolution represent 98.44% of the shares voted.

**I will be voting for the resolution in relation to all open proxies.**

**Do I have anyone to propose this resolution?**

**Do I have a seconder for the motion? .....Thankyou.**

All those entitled to vote and are in favour of this motion, please raise your voting cards.

**Resolution passed as an Ordinary Resolution.**

**That finalises the Resolutions to be passed at this meeting.**

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I now throw the floor over to you for your say.

Do we have any questions please?



We have now reached the end of the formalities for the 2011 Wellcom Group AGM.

**To sum up I would like to say that I remain quietly optimistic for 2011-12.**

I base this on the fact that:

- we have done the work by completing the necessary business restructures and cost management policies, and;
- our business is far more flexible, and as a result:
- we can now better meet any challenges in this financial year.

Our increased list of products and services present further opportunities for organic growth, with specific opportunities in the online space.

Not only can Wellcom service the bricks and mortar retail client, but Wellcom is now equally adept to service the virtual shop-front client using the same data input.

We are strongly supported by a strong cash position, and as a result the Wellcom Group is in a much better financial position than at anytime in our history.

But this process is not over and part of what we learnt along the way is that we must remain fluid, challenge ourselves through constant review processes, and be open to change.

Our *joining the dots* policy will reap dividends based on:

- expansion into the U.S out of Wellcom London
- solid enquiries out of Europe and the U.K for global brand fulfillment
- global hub rollouts based on existing benchmarks
- new Knowledgewell *Next Generation* launch
- meaningful dialogue with potential new business clients globally
- Asian expansion.

Overall I'm satisfied with the results we have achieved in all our regional offices. Each has performed admirably and my expectation is that it will continue.

We have maintained our strong cash position. We are ready to pursue additional synergistic acquisitions around the globe.

The Knowledgewell Next Generation will be launched and this will further embed us with user clients globally.

With proceedings just about closed I would like to take this opportunity on behalf of my fellow directors, Mr Charles Anzarut and Mr Kerry Smith, to again thank our staff and their families across all of the Wellcom worldwide networks for their fine work, their loyalty and dedication.

Unlike some organisations, Wellcom believes in encouraging our staff, of rewarding them on excellence in work ethic and attitude, and we believe in bringing our staff with us on our journey, and empowering them. They are our greatest asset.

Sincere thanks must also go to our clients, whose faith in our ability to constantly deliver has kept us where we are today.

Finally, I would like to thank you, our shareholders and say it is with pleasure to pass on another strong fully franked dividend.

To all of you, thankyou.

I believe the business roadmap we have created is accurate, achievable and very manageable.

It is with cautious optimism that we enter 2011/12.

On behalf of your Board of directors, I would like to thank you for your time today and please accept some small gifts from our some of our clients including L'Oreal , ANZ Bank, Cadbury and Dan Murphy's in appreciation of your support. This is available on your way out.

Thankyou.

END