

FORM: Half yearly/~~preliminary~~ final report

Name of *issuer*

Print Mail Logistics Limited

ACN or ARBN

103 116 856

Half yearly
(tick)



Preliminary
final (tick)

Half year/~~financial~~ year ended
('Current period')

31 December 2011

For announcement to the market

Extracts from this statement for announcement to the market (*see note 1*).

Revenue (<i>item 1.1</i>)	up/down	A\$ 385,213	to	A\$ 3,534,035
		10 %		

Profit /(loss) for the period (<i>item 1.9</i>)	up/down	A\$15,646	to	(A\$ 60,270)
		NA%		

Profit (loss) for the period attributable to members of the parent (<i>item 1.11</i>)	up/down	A\$15,646	to	(A\$ 60,270)
		NA%		

Dividends

Franking rate applicable:

Current period

N/A

Previous corresponding
period

N/A

Final dividend (*preliminary final report only*)(*item 10.13-10.14*)

Amount per *security*

0.00

0.00

Franked amount per *security*

0.00

0.00

Interim dividend (*Half yearly report only*) (*item 10.11 – 10.12*)

Amount per *security*

0.00

0.00

Franked amount per *security*

0.00

0.00

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Nil

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

	Current period – \$A	Previous corresponding period - \$A
1.1 Revenues <i>(item 7.1)</i>	3,534,035	3,919,248
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(3,602,484)	(3,907,516)
1.3 Finance costs	(104,774)	(171,188)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	34,500	(2,331)
1.5 Profit (loss) before income tax	(138,723)	(161,787)
1.6 Income tax (expense)/benefit <i>(see note 4)</i>	78,453	85,871
1.7 Profit (loss) from continuing operations	(60,270)	(75,916)
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	(60,270)	(75,916)
1.10 Profit (loss) attributable to minority interests	-	-
1.11 Profit (loss) attributable to members of the parent	(60,270)	(75,916)
1.12 Basic earnings per security <i>(cents) (item 9.1)</i>	(0.22) cents per share	(0.28) cents per share
1.13 Diluted earnings per security <i>(item 9.1)</i>	(0.22) cents per share	(0.28) cents per share
1.14 Dividends per security <i>(item 9.1)</i>	-	-

Comparison of half-year profits

(Preliminary final statement only)

	Current period – \$A	Previous corresponding period - \$A
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	N/A for the half-year report	N/A for the half-year report
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	N/A for the half-year report	N/A for the half-year report

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period – \$A	Previous corresponding period - \$A
3.1	Cash and cash equivalents	338	580
3.2	Trade and other receivables	458,520	421,908
3.3	Inventories	122,632	99,774
3.4	Other current assets (provide details if material)	116,211	41,075
3.5	Total current assets	697,701	563,337
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	856,747	822,247
3.9	Deferred tax assets	545,987	467,533
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	2,073,931	2,331,021
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	Total non-current assets	3,476,665	3,620,801
3.18	Total assets	4,174,366	4,184,138
Current liabilities			
3.19	Trade and other payables	699,405	408,484
3.20	Short term borrowings	145,909	142,644
3.21	Current tax payable	-	-
3.22	Short term provisions	85,170	88,573
3.23	Current portion of long term borrowings	497,128	1,479,824
3.24	Other current liabilities (provide details if material)	-	-
		1,427,612	2,119,525
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	Total current liabilities	1,427,612	2,119,525

Non-current liabilities			
		Current period - \$A	Previous corresponding period - \$A
3.27	Long-term borrowings	1,173,308	441,493
3.28	Deferred tax liabilities	6,100	6,100
3.29	Long term provisions	129,265	118,670
3.30	Other (provide details if material)	-	-
3.31	Total non-current liabilities	1,308,673	566,263
3.32	Total liabilities	2,736,286	2,685,788
3.33	Net assets	1,438,080	1,498,350
Equity			
3.34	Share capital	7,935,894	7,935,894
3.35	Other reserves	-	-
3.36	Retained earnings	(6,497,814)	(6,437,544)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale		-
3.37	Parent interest	1,438,080	1,498,350
3.38	Minority interest	-	-
3.39	Total equity	1,438,080	1,498,350

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$	Previous corresponding period – A\$
Revenues recognised directly in equity:	(60,270)	(75,916)
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	(60,270)	(75,916)
4.2 Profit (Loss) for the period	(60,270)	(75,916)
4.3 Total recognised income and expense for the period		
Attributable to:		
4.4 Members of the parent	(60,270)	(75,916)
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period - \$A	Previous corresponding period - \$A
	Cash flows related to operating activities		
5.1	Receipts from customers	3,853,268	4,269,477
5.2	Payments to suppliers and employees	(3,495,791)	(4,064,534)
5.3	Interest and other costs of finance paid	(104,774)	(109,885)
5.4	Income taxes paid	-	-
5.5	Other (provide details if material)	-	18
5.6	Net cash from operating activities	252,702	95,076
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(31,904)	(215,530)
5.8	Proceeds from sale of property, plant and equipment	-	5,564
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	-	-
5.16	Net cash used in investing activities	(31,904)	(209,966)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	827,946
5.18	Proceeds from borrowings	-	827,946
5.19	Repayment of borrowings	(221,040)	(750,000)
5.20	Dividends paid	-	-
5.21	Other (transaction costs)	-	-
5.22	Net cash from/(used in) financing activities	(221,040)	77,946
	Net increase (decrease) in cash and cash equivalents	(241)	(36,944)
5.23	Cash at beginning of period (see Reconciliations of cash)	(142,064)	(113,372)
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	Cash at end of period (see Reconciliation of cash)	(142,305)	(150,316)

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period - \$A	Previous corresponding period - \$A
6.1	Profit/(Loss) <i>(item 1.9)</i>	(60,270)	(75,916)
	Adjustments for non-cash items:		
6.2	Depreciation	288,995	427,263
6.3	(Gain)/loss on foreign currency translation	2,451	(11,880)
6.4	Profit on forgiveness of loan	49,900	-
6.5	Net (profit)/loss on disposal of property, plant and equipment	-	(5,564)
6.6	Impairment loss on the measurement to fair value less costs to sell	-	-
6.7	Notional interest – Convertible notes	-	61,303
6.8	Share of net (Profit)/loss of associate	(34,500)	2,331
6.9	Movement in allowance for impairment of receivables	-	-
6.10	Changes in trade and other receivables	(36612)	17,038
6.11	Changes in other current assets	(75,136)	(122,332)
6.12	Changes in inventories	(22,858)	65,470
6.13	Changes in deferred tax	(78,454)	(85,871)
6.14	Changes in trade creditors	201,804	(34,582)
6.15	Changes in sundry creditors	109,990	(81,698)
6.16	Changes in employee entitlements	7,192	(60,485)
6.10	Net cash from operating activities <i>(item 5.6)</i>	252,703	95,076

Notes to the financial statements

Details of revenues and expenses

(see note 16)(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$A	Previous corresponding period - \$A
Revenue from rendering of services	3,390,595	3,802,094
Interest received	-	18
Gain on revaluation of financial asset	2,000	60,000
Proceeds on sale of plant & equipment	-	5,564
Gain on forgiveness of debt	49,900	-
Gain on foreign currency translation	-	11,880
Other Income	91,540	39,712
7.1 Total Revenue	3,534,035	3,919,248
Expenses		
Changes in inventories of finished goods & WIP	22,858	(65,470)
Raw materials and consumables used	(1,715,986)	(1,607,628)
Employee benefits expense	(1,087,084)	(1,229,248)
Finance costs	(104,774)	(171,188)
Depreciation and amortisation expense	(288,995)	(429,918)
Operating leases	-	-
Occupancy expenses	(174,557)	(170,651)
Office and administration expenses	(302,489)	(331,131)
Ordinary expenses	(53,780)	(76,470)
Loss on foreign currency translation	(2,451)	-
Share of net profits/(loss) of associates	34,500	(2,331)
7.2 Total Expenses	(3,672,758)	(4,081,035)
Profit (loss) before tax	(138,723)	(161,787)

Ratios		Current period	Previous corresponding period
8.1	Profit before tax / revenue Consolidated profit (loss) before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(3.92%)	(4.13)%
8.2	Profit after tax / equity interests Consolidated profit (loss) after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (<i>similarly attributable</i>) at the end of the period (<i>item 3.37</i>)	(4.17)%	(4.45)%

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

Para 70(a) The numerator is equal to Profit/(Loss) after tax:

Current period: A\$(60,270)

Prior corresponding period: A\$(75,916)

Para 70(b) The denominator is equal to the weighted average number of ordinary shares on issue:

Current period: 27,375,000

Prior corresponding period: 23,203,334

Para 70(d) There have been no ordinary share transactions or potential ordinary share transactions that have occurred after the reporting date that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.

Para 70.1(a) Nil.

Dividends

- 10.1 Date the dividend is payable

Nil

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

Nil

- 10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

- 10.4 The dividend or distribution plans shown below are in operation.

Nil

The last date(s) for receipt of election notices to the dividend or distribution plans

Nil

10.5 Any other disclosures in relation to *dividends or distributions*

Nil

Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

	Current period - \$A	Previous corresponding period - \$A	Franking rate applicable
Dividends paid or provided for during the reporting period	Nil	Nil	Nil
10.6 Current year interim	Nil	Nil	Nil
10.7 Franked dividends	Nil	Nil	Nil
10.8 Previous year final	Nil	Nil	Nil
10.9 Franked dividends	Nil	Nil	Nil
Dividends proposed and not recognised as a liability	Nil	Nil	Nil
10.10 Franked dividends	Nil	Nil	Nil

Dividends per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

	Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period	Nil	Nil	Nil
10.11 Current year interim	Nil	Nil	Nil
10.12 Franked dividends – cents per share	Nil	Nil	Nil
10.13 Previous year final	Nil	Nil	Nil
10.14 Franked dividends – cents per share	Nil	Nil	Nil
Dividends proposed and not recognised as a liability	Nil	Nil	Nil
10.15 Franked dividends – cents per share	Nil	Nil	Nil

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

		Current period \$A	Previous corresponding period \$A
11.1	Opening balance	Not applicable	Not applicable
11.2	Expenditure incurred during current period	Not applicable	Not applicable
11.3	Expenditure written off during current period	Not applicable	Not applicable
11.4	Acquisitions, disposals, revaluation increments, etc.	Not applicable	Not applicable
11.5	Expenditure transferred to Development Properties	Not applicable	Not applicable
11.6	Closing balance as shown in the consolidated balance sheet (item 3.10)	Not applicable	Not applicable

Development properties

(To be completed only by issuers with mining interests if amounts are material)

		Current period \$A	Previous corresponding period \$A
12.1	Opening balance	Not applicable	Not applicable
12.2	Expenditure incurred during current period	Not applicable	Not applicable
12.3	Expenditure transferred from exploration and evaluation	Not applicable	Not applicable
12.4	Expenditure written off during current period	Not applicable	Not applicable
12.5	Acquisitions, disposals, revaluation increments, etc.	Not applicable	Not applicable
12.6	Expenditure transferred to mine properties	Not applicable	Not applicable
12.7	Closing balance as shown in the consolidated balance sheet (item 3.11)	Not applicable	Not applicable

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

		Current period – A\$	Previous corresponding period – A\$
13.1	Revenue	-	-
13.2	Expense	-	-
13.3	Profit (loss) from discontinued operations before income tax	-	-
13.4	Income tax expense/(benefit) (as per para 81 (h) of AASB 112)	-	-
13.5	Gain (loss) on sale/disposal of discontinued operations		
13.6	Income tax expense (as per paragraph 81(h) of AASB 112)	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous corresponding period – A\$
14.6	Ordinary securities (description)					
14.7	Balance at start of period	27,375,000	27,375,000	\$ 0.2746	7,521,829	27,203,334
14.8	a) Increases through issues	-	-	-	-	51,500
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	27,375,000	27,375,000	\$0.2747	7,521,829	27,375,000

14.11	Convertible Debt Securities <i>(description & conversion factor)</i>					
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-
14.32	Total Securities	27,375,000	27,375,000	27,375,000	7,521,829	7,521,829

		Current period – A\$	Previous corresponding period – A\$
Reserves			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	Total reserves	-	-
Retained earnings			
14.38	Balance at start of period	(6,437,544)	(6,102,457)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit/loss for the period	(60,270)	(75,916)
14.42	Total for the period	(60,270)	(75,916)
14.43	Dividends	-	-
14.44	Balance at end of period	(6,497,814)	(6,178,373)

Details of aggregate share of profits (losses) of associates and joint venture entities*(equity method)**(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)*

Name of associate or joint venture entity

Armstrong Registry Services Limited
ACN 139 056 643

Reporting entities percentage holding

30%

		Current period - \$A	Previous corresponding period - \$A
15.1	Profit (loss) before income tax	164,286	(7,769)
15.2	Income tax (expense)/benefit	(49,286)	-
15.3	Profit (loss) after tax	115,000	(7,769)
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	34,500	(7,769)

Control gained over entities having material effect*(See note 8)*16.1 Name of *issuer* (or *group*)

Nil

16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since the date in the current period on which control was acquired

\$A

Nil

16.3 Date from which profit (loss) in *item 16.2* has been calculated

Nil

16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the previous corresponding period

Nil

Loss of control of entities having material effect*(See note 8)*

17.1	Name of <i>issuer</i> (or <i>group</i>)	Nil
		\$A
17.2	Consolidated profit (loss) after tax of the entity (or <i>group</i>) for the current period to the date of loss of control	Nil
17.3	Date from which the profit (loss) in <i>item 17.2</i> has been calculated	Nil
17.4	Consolidated profit (loss) after tax of the entity (or <i>group</i>) while controlled during the whole of the previous corresponding period	Nil
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	Nil

Material interests in entities which are not controlled entities*The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A	Previous corresponding period \$A'000
	Armstrong Registry Services Limited	30%	-	34,500	(2,331)
18.2	Total	30%	-	34,500	(2,331)
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
		Nil	Nil	Nil	Nil
18.4	Total	Nil	Nil	Nil	Nil

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 8: Operating segments. Because of the different structures employed by entities, a pro forma is not provided.

	Current period - \$A	Previous corresponding period - \$A
Segments		
Revenue:		
19.1 External sales	Refer to note 4 in the Interim Financial Statements Attached	Refer to note 4 in the Interim Financial Statements Attached
19.2 Inter-segment sales		
19.3 Total (consolidated total equal to <i>item 1.1</i>)		
19.4 Segment result	Refer to note 4 in the Interim Financial Statements Attached	Refer to note 4 in the Interim Financial Statements Attached
19.5 Unallocated expenses		
19.6 Operating profit (equal to <i>item 1.5</i>)		
19.7 Interest expense	Refer to note 4 in the Interim Financial Statements Attached	Refer to note 4 in the Interim Financial Statements Attached
19.8 Interest income		
19.9 Share of profits of associates		
19.10 Income tax expense		
19.11 Net profit (consolidated total equal to <i>item 1.9</i>)	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached
Other information		
19.12 Segment assets		
19.13 Investments in equity method associates		
19.14 Unallocated assets		
19.15 Total assets (equal to <i>item 3.18</i>)	Refer to note 4 in the Interim Financial Statements Attached	Refer to note 4 in the Interim Financial Statements Attached
19.16 Segment liabilities		
19.17 Unallocated liabilities		

19.18	Total liabilities (equal to <i>item 3.32</i>)	Refer to note 4 in the Interim Financial Statements Attached	
19.19	Capital expenditure	Refer to note 4 in the Interim Financial Statements Attached	Refer to note 4 in the Interim Financial Statements Attached
19.20	Depreciation		
19.21	Other non-cash expenses	Refer to note 4 in the Interim Financial Statements Attached	Refer to note 4 in the Interim Financial Statements Attached

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.053	\$0.063

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	Nil
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	N/A
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	N/A
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

Refer to note 1 in the Interim Financial Statements Attached

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

There were no dividends paid or provided for at balance date. The Company's franking account balance is \$ 114,785.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

Refer to note 1 in the Interim Financial Statements Attached

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS¹ affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

N/A

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

N/A

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

Nil

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Not applicable

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

Nil

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement gives a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- ☐ The financial statements have been audited. ☒ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (delete one). *(Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.)*

6. The *issuer* has a formally constituted audit committee.



Sign here:

Date: 14th February 2012
(Director)

Print name: Nigel B Elias

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**

Item 1.1	The definition of "revenue" is set out in <i>AASB 118: Revenue</i>
Item 1.6	This item refers to the total tax attributable to the amount shown in <i>item 1.5</i> . Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.
9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

17. Discontinuing operations

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3

Print Mail Logistics Limited
ABN 14 103 116 856

Interim Financial Statements
for the Half-Year Ended
31 December 2011

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The interim financial statements were authorised by the Board of directors for issue on 10 February 2012. The Board has the power to amend or reissue the report after it has been issued.

Corporate Directory

Directors	<p>John W Woods <i>Chairman (Non-executive)</i></p> <p>Nigel B Elias <i>Director (Executive)</i></p> <p>Robert C Cameron <i>Director (Non-executive)</i></p>
Secretaries	<p>Ian B Hopkins Adrian J Pereira</p>
Principal registered office in Australia	<p>Ground Floor, 28-30 Davey Street Hobart TAS 7000 +61 3 6220 8444</p>
State of incorporation	<p>New South Wales</p>
Share register	<p>Armstrong Registry Services Limited Level 22, 307 Queen Street Brisbane QLD 4000 +61 7 3231 0050</p>
Auditor	<p>Crofts CA Level 10, 50 Berry Street North Sydney NSW 2060 +61 2 9089 1400</p>
Solicitor	<p>Allens Arthur Robinson Deutsche Bank Place 126 Phillip Street Sydney NSW 2000</p>
Banker	<p>Australia and New Zealand Banking Group Limited 40 Elizabeth Street Hobart TAS 7000</p>
Stock exchange listing	<p>Print Mail Logistics Limited shares are listed on the National Stock Exchange of Australia (NSX) (Code: PNT).</p>
Website address	<p>www.pml.com.au</p>

Directors' Report

Your Directors present their report on Print Mail Logistics Limited ("Company") and its controlled entities (collectively referred to as "Consolidated Entity") for the half-year ended 31 December 2011.

Directors

The names of each person who has been a Director of the Company during the year and to the date of this report are:

John W Woods
Nigel B Elias
Robert C Cameron

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretaries

The names of each person who has been a Company Secretary of the Company during the year and to the date of this report are:

Ian B Hopkins
Adrian J Pereira

Review of Operations

For the half year period from July 1, 2011 to December 31, 2011, the Consolidated Entity recorded a net loss of \$60,270 (for the half year period from July 1, 2010 to December 31, 2010 a net loss of \$75,916).

For the period from July 1, 2011 to December 31, 2011 the Company is pleased to advise that:-

- net cash flow from operating activities increased by 165% to \$252,703 (July 1, 2010 to December 31, 2010 \$95,076);
- a contract was entered into with a significant Queensland based regional council for the printing and distribution of its rates, water and animal notices;
- it is anticipated that prior to June 30, 2012 the Company will have formalised its business management system in preparation for accreditation to *AS/NZS 4801:2001 Occupational Health and Safety*, *ISO 14001:2004 Environmental Management System Certification* and *ISO 9001:2008 Quality Management System Certification*;
- total current assets as a percentage of total current liabilities as at 31 December 2011 increased by 81% to 49% (27% as at 30 June 2011);
- notwithstanding the continued support of the Company's Banker your Board of Directors considers it prudent to take steps to de-gear the Company in light of the volatility of both domestic and international capital markets. To this end, subject to shareholder and regulatory approvals, the Company proposes to issue and conduct a placement of partly paid convertible preference shares. Further particulars will be advised as soon as is practical.

In light of the current business environment your Board of directors considers the results of the Company to be satisfactory.

Directors' Report (continued)

Auditor's Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 of this report.

Signed in accordance with a resolution of the Board of directors.

A handwritten signature in black ink, appearing to read 'John W Woods', with a large, stylized loop at the end.

John W Woods
Chairman

10 February 2012
Hobart, Tasmania

**Auditor's Independence Declaration under Section 307C of the Corporations
Act 2001 to the directors of Print Mail Logistics Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Crofts Chartered Accountants



Matthew Duggan

Principal

Signed at Sydney, 14 February 2012

Statements of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011	Notes	CONSOLIDATED ENTITY	
		31.12.2011	31.12.2010
		\$	\$
Revenue from continuing operations	2	3,534,035	3,919,248
Changes in inventories of finished goods and work in progress		22,858	(65,470)
Raw materials and consumables used		(1,715,986)	(1,607,628)
Employee benefits expense		(1,087,084)	(1,229,248)
Finance costs		(104,774)	(171,188)
Depreciation and amortisation expense		(288,995)	(426,918)
Occupancy expenses		(174,557)	(170,651)
Office and administration expenses		(302,489)	(331,131)
Ordinary expenses		(53,780)	(76,470)
Loss on foreign currency translation		(2,451)	-
Share of net profits/(loss) of associates		34,500	(2,331)
Profit/(Loss) before income tax		(138,723)	(161,787)
Income tax (expense)/benefit		78,453	85,871
Profit/(Loss) for the half-year from continuing operations		(60,270)	(75,916)
Profit/(Loss) for the half-year		(60,270)	(75,916)
Other comprehensive income			
Other comprehensive income for the half-year net of income tax		-	-
Total comprehensive income/(loss) for the half-year		(60,270)	(75,916)
Profit/(Loss) for the half-year attributable to:			
Owners of the parent entity		(60,270)	(75,916)
Non-controlling interest		-	-
Profit/(Loss) for the half-year		(60,270)	(75,916)
Total comprehensive income/(loss) for the half-year attributable to:			
Owners of the parent entity		(60,270)	(75,916)
Non-controlling interest		-	-
Total comprehensive income/(loss) for the half-year		(60,270)	(75,916)
Earnings per share and Diluted earnings per share			
From continuing operations:			
Basic and Diluted earnings per share (cents)		(0.22)	(0.28)
From profit for the half-year:			
Basic and Diluted earnings per share (cents)		(0.22)	(0.28)

The accompanying notes form part of these financial statements.

Statements of Financial Position**AS AT 31 DECEMBER 2011****CONSOLIDATED ENTITY****31.12.2011 30.06.2011****\$ \$****Current Assets**

Cash and cash equivalents	338	580
Trade and other receivables	458,520	421,908
Inventories	122,632	99,774
Other current assets	116,211	41,075
Total Current Assets	697,701	563,337

Non-Current Assets

Investments accounted for using the equity method	856,747	822,247
Deferred tax assets	545,987	467,533
Property, plant and equipment	2,073,931	2,331,021
Total Non-Current Assets	3,476,665	3,620,801

Total Assets**4,174,366 4,184,138****Current Liabilities**

Trade and other payables	699,405	408,484
Interest bearing financial liabilities	391,651	1,383,847
Interest bearing hire purchase liabilities	251,386	238,621
Provisions	85,170	88,573
Total Current Liabilities	1,427,612	2,119,525

Non-Current Liabilities

Provisions	129,265	118,670
Interest bearing financial liabilities	1,046,696	185,913
Interest bearing hire purchase liabilities	126,612	255,580
Deferred tax liability	6,100	6,100
Total Non-Current Liabilities	1,308,673	566,263

Total Liabilities**2,736,286 2,685,788****Net Assets/(Liabilities)****1,438,080 1,498,350****Equity**

Issued capital	7,935,894	7,935,894
Accumulated losses	(6,497,814)	(6,437,544)
Total Equity	1,438,080	1,498,350

The accompanying notes form part of these financial statements.

Statements of Changes in Equity

FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

	Ordinary Shares	Equity Component of Convertible Notes	Total Issued Capital	Accumulated Losses	Total
Consolidated Entity	\$	\$	\$	\$	\$
Balance at 1 July 2011	7,521,829	414,065	7,935,894	(6,437,544)	1,498,350
Comprehensive loss for the half-year					
Profit/(Loss) for the half-year	-	-	-	(60,270)	(60,270)
Total comprehensive loss for the half-year	-	-	-	(60,270)	(60,270)
Transactions with owners recorded directly in equity					
Contributions by owners					
Shares issued	-	-	-	-	-
Transaction costs	-	-	-	-	-
Total contributions by owners	-	-	-	-	-
Balance at 31 December 2011	7,521,829	414,065	7,935,894	(6,497,814)	1,438,080
Balance at 1 July 2010	7,470,329	414,065	7,884,394	(6,102,457)	1,781,937
Comprehensive income for the half-year					
Profit/(Loss) for the half-year	-	-	-	(75,916)	(75,916)
Total comprehensive income for the half-year	-	-	-	(75,916)	(75,916)
Transactions with owners recorded directly in equity					
Contributions by owners					
Shares issued	-	-	-	-	-
Transaction costs	-	-	-	-	-
Total contributions by owners	-	-	-	-	-
Balance at 31 December 2010	7,470,329	414,065	7,884,394	(6,178,373)	1,706,021

The accompanying notes form part of these financial statements.

Statements of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	CONSOLIDATED ENTITY	
	31.12.2011	31.12.2010
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	3,853,268	4,269,477
Payments to suppliers and employees	(3,495,791)	(4,064,534)
Finance costs	(104,774)	(109,885)
Interest received	-	18
Net Cash Flow From Operating Activities	252,702	95,076
Cash Flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	-	5,564
Purchase of property, plant and equipment	(31,904)	(215,530)
Net Cash Flow (Used in)/From Investing Activities	(31,904)	(209,966)
Cash Flows from Financing Activities		
Payments for convertible notes paid out	-	(750,000)
(Repayment)/Proceeds (of)/from borrowings raised	(221,040)	827,946
Net Cash Flow From/(Used in) Financing Activities	(221,040)	77,946
Net (Decrease)/Increase in Cash and Cash Equivalents	(241)	(36,944)
Cash and Cash Equivalents at Beginning of Half-year	(142,064)	(113,372)
Cash and Cash Equivalents at End of the Half-year	(142,305)	(150,316)

The accompanying notes form part of these financial statements

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised by the Board of directors for issue on 10 February 2012. The Board has the power to amend or reissue the interim financial statements after they have been issued.

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These interim financial statements are intended to provide users with an update on the latest annual financial statements of Print Mail Logistics Limited and its controlled entities (the Consolidated Entity). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Entity. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Consolidated Entity for the year ended 30 June 2011, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in these interim financial statements as compared to the most recent annual financial statements except for the method of computation of depreciation and amortisation of the following items of plant and equipment:

Plant and equipment class	Effective life from 1 July 2011	Effective life as at 30 June 2011
Digital printing equipment	10 years	5 years

The change in method of computation resulted in the depreciation and amortisation expense for the interim half-year reporting period ended 31 December 2011 being reduced by \$ 118,915.

Going concern

At 31 December 2011, the Consolidated Entity had a net working capital deficiency (net current liabilities) of \$729,911 (30 June 2011: \$1,556,188) and incurred a \$ 60,270 loss for the half-year ended 31 December 2011 (2010: loss of \$ 75,916) in respect of the principal activities relating to its rendering of printing, mailing and distribution services.

The Directors consider that the going concern assumption adopted in the preparation of the half-year financial statements is appropriate and that the Consolidated Entity will continue to have the resources available for repayment of its financial liabilities as and when they fall due.

On 2 September 2011, the Company negotiated the continuation of its finance facility by way of accepting an offer from the Banker to vary the terms and conditions of the facility. At 31 December 2011, the Company was compliant with all terms and conditions including the loan covenants relevant to the facility.

The Directors have prepared the financial report of the Consolidated Entity on the going concern basis which assumes that the Company will be able to realise its assets and discharge its liabilities in the ordinary course of business on the following basis:

- The Company has prepared a detailed business plan including cash flow forecasts and assumptions for the 12 month period ending after the date of signature of the Independent Auditor's Review Report and the Directors believe that there is a reasonable basis to support the preparation of the financial report on a going concern basis;
- The Directors have resolved to adjust the Company's expenses in line with variations to revenue;
- The Company is revisiting the overall business model, service offering and value proposition to clients;
- The role of key executives have been redirected from daily management activities to those of identifying and effecting sales related opportunities.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Critical accounting estimates and judgements

The Board of directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

Key estimates – Impairment

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

2. REVENUE FROM ORDINARY ACTIVITIES

	CONSOLIDATED ENTITY	
	31.12.2011	31.12.2010
	\$	\$
Revenues from operating activities		
Revenue from rendering of services	<u>3,390,595</u>	<u>3,802,074</u>
Revenues from non-operating activities		
Interest received	-	18
Proceeds on disposal of property, plant and equipment	-	5,564
Carrying value	-	-
Gain on disposal	-	5,564
Gain on re-valuation of financial asset	2,000	60,000
Gain on forgiveness of loan	49,900	-
Gain on foreign currency translation	-	11,880
Other income	91,540	39,712
Total revenues from non-operating activities	<u>143,440</u>	<u>117,174</u>
Total revenues from ordinary activities	<u>3,534,035</u>	<u>3,919,248</u>

3. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

There were no dividends paid or provided as at the reporting date (2010: nil).

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

4. SEGMENT INFORMATION

Identification of reportable segments

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

The Consolidated Entity is managed primarily on the basis of product category and service offerings since the diversification of the Consolidated Entity's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

Types of products and services by segment

(i) Printing

The printing segment prepares, prints, finishes and delivers printed material for public and private entities. All products and services are aggregated as one reportable segment as the products and services are similar in nature, they are manufactured and distributed to similar types of customers and they are subject to a similar regulatory environment.

Significant plant and equipment, including computer software, printing and finishing equipment, form the basis of the operating assets in this segment.

The mailing and distribution segment receives products from this segment. Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

(ii) Mailing and distribution

The mailing and distribution segment inserts printed material into envelopes and distributes envelopes and printed material both domestically and internationally. Distribution is primarily achieved through the engagement of third party suppliers.

Significant plant and equipment, primarily mail insertion machines, form the basis of the operating assets in this segment.

The mailing and distribution segment receives products from the printing segment. Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

4. SEGMENT INFORMATION (continued)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated entity as detailed in Note 1.

Inter-segment transactions

Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

Overhead expenditure is allocated to reporting segments based on the segments' overall proportion of revenue generation within the consolidated entity. The Board of directors believe this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

There are no inter-segment loans receivable or payable.

Segment assets

Where any asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Notes to the Financial Statements (continued)**FOR THE HALF YEAR ENDED 31 DECEMBER 2011****4. SEGMENT INFORMATION (continued)**

(i) Segment performance

	CONSOLIDATED ENTITY		
	Printing	Mailing & Distribution	Total
	\$	\$	\$
Half-Year Ended 31 December 2011			
Revenue			
External sales	2,101,058	1,289,538	3,390,595
Interest revenue	-	-	-
Total segment revenue	2,101,058	1,289,538	3,390,595
<i>Reconciliation of segment revenue to group revenue</i>			
Gain on re-valuation of financial asset			2,000
Gain on forgiveness of loan			49,900
Other income			91,540
Total group revenue			3,534,035
Segment net profit/(loss) before tax	86,413	2,131	88,545
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Gain/(Loss) on foreign currency translation			(2,451)
Gain on re-valuation of financial asset			2,000
Gain on forgiveness of loan			49,900
Gain on disposal of asset			91,540
Unallocated items:			
Share of net profits/(loss) of associates			34,500
Corporate charges			(297,983)
Finance costs			(104,774)
Net profit/(loss) before tax from continuing operations			(138,723)

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

4. SEGMENT INFORMATION (continued)

(i) Segment performance (continued)

	CONSOLIDATED ENTITY		
	Printing	Mailing & Distribution	Total
	\$	\$	\$
Half-Year Ended 31 December 2010			
Revenue			
External sales	2,387,702	1,414,371	3,802,074
Interest revenue	12	7	18
Total segment revenue	2,387,714	1,414,378	3,802,092
<i>Reconciliation of segment revenue to group revenue</i>			
Gain on foreign currency translation			11,880
Gain on revaluation of financial asset			60,000
Gain/(loss) from sale of plant and equipment			5,564
Other un-allocated income			39,712
Total group revenue			3,919,248
Segment net profit before tax	152,003	73,504	225,507
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Gain/(loss) on foreign currency translation			11,880
Gain on revaluation of financial asset			60,000
Other un-allocated income			39,712
Gain on disposal of asset			5,564
Unallocated items:			
Share of net profits/(loss) of associates			(2,331)
Corporate charges			(330,931)
Finance costs			(171,188)
Net profit/(loss) before tax from continuing operations			(161,787)

Notes to the Financial Statements (continued)**FOR THE HALF YEAR ENDED 31 DECEMBER 2011****4. SEGMENT INFORMATION (continued)**

(ii) Segment assets

	CONSOLIDATED ENTITY		
	Printing	Mailing & Distribution	Total
	\$	\$	\$
As At 31 December 2011			
Segment assets	<u>1,971,700</u>	<u>66,591</u>	<u>2,038,291</u>
	1,971,700	66,591	2,038,291
Additions to Segment Assets			
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			733,341
Deferred tax assets			545,987
Investments accounted for using the equity method			<u>856,747</u>
Total group assets from continuing operations			<u>4,174,366</u>

	CONSOLIDATED ENTITY		
	Printing	Mailing & Distribution	Total
	\$	\$	\$
As At 30 June 2011			
Segment assets	<u>2,214,790</u>	<u>115,371</u>	<u>2,330,161</u>
	2,214,790	115,371	2,330,161
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			564,197
Deferred tax assets			467,533
Investment in associates			<u>822,247</u>
Total group assets from continuing operations			<u>4,184,138</u>

(iii) Segment liabilities

The Consolidated Entity's liabilities are not allocated to operating segments for the purpose of internal reporting. Accordingly segment liabilities are not separately disclosed in accordance with AASB 8 *Operating Segments*.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

4. SEGMENT INFORMATION (continued)

(iv) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the geographical location of the external

	CONSOLIDATED ENTITY	
	Half-Year Ended 31 December 2011	Half-Year Ended 31 December 2010
	\$	\$
Australia	3,390,595	3,802,074
Total revenue	3,390,595	3,802,074

(v) Assets by geographical region

The location of segment assets is disclosed below, based on the geographical location of the assets:

	CONSOLIDATED ENTITY	
	Balance as at 31 December 2011	Balance as at 30 June 2011
	\$	\$
Australia	2,073,931	2,331,021
Total assets	2,073,931	2,331,021

(vi) Major customers

The Consolidated Entity has a number of customers to which it renders services. The Consolidated Entity has one external customer which accounts for 4% (2010: 16%) of Printing revenue, 27% (2010: 22%) of Mailing and distribution revenue and 14% (2010: 18%) of total external revenue. The next largest major customer accounts for 5% (2010: 7%) of Printing revenue, 12% (2010: 15%) of Mailing and distribution revenue and 8% (2010: 13%) of total external revenue.

5. SUBSEQUENT EVENTS

There are no subsequent events to report.

6. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities to report.

Directors' Declaration

In accordance with a resolution of the directors of Print Mail Logistics Limited, I state that, in the opinion of the directors:

- (a) the financial statements and the notes of the company, as set out on pages 7 to 19, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the period ended on that date;
 - (ii) complying with Accounting Standard AASB134: *Interim Financial Reporting*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of directors of Print Mail Logistics Limited.

A handwritten signature in black ink, appearing to read 'John W Woods', with a large, stylized flourish extending from the end of the signature.

John W Woods
Chairman

Date: 10 February 2012
Hobart, Tasmania

Independent Auditors Review Report

To the members of Print Mail Logistics Limited

Level 10
50 Berry Street
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NSW 2060
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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Print Mail Logistics Limited, which comprises the consolidated condensed statement of financial position as at 31 December 2011, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed 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.

Directors' Responsibility for the Half-year Financial Report

The directors of Print Mail Logistics Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal 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 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Print Mail Logistics Limited's financial position as at 31 December 2011 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 Print Mail Logistics 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 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Print Mail Logistics Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

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 Print Mail Logistics Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Print Mail Logistics Limited's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1(a), in the financial report, which indicates that the consolidated entity incurred losses of \$60,270 during the half year ended 31 December 2011 and as at that date, the consolidated entity's current liabilities exceeded its current assets by \$729,911 (30 June 2011: \$1,556,188).

Crofts Chartered Accountants

Matthew Duggan

Principal

Signed at Sydney, 14 February 2012