

Print Mail Logistics Limited
ABN 14 103 116 856

Interim Financial Statements
for the Half-Year Ended
31 December 2014

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The interim financial statements were authorised by the Board of directors for issue on 12 March 2015. The Board has the power to amend or reissue the report after it has been issued.

Corporate Directory

Directors	John W Woods <i>Chairman (Non-executive)</i> Nigel B Elias <i>Director (Executive)</i> Luis Garcia <i>Director (Non-executive)</i>
Secretaries	Mary-Anne Greaves Adrian J Pereira
Principal registered office in Australia	Tasmanian Technopark 33 Innovation Drive Dowsing Point TAS 7010 +61 3 6220 8444
State of incorporation	New South Wales
Share register	Armstrong Registry Services Limited Level 3, 345 Ann Street Brisbane QLD 4000
Auditor	DBW Audit Pty Limited Level 6, 1 Pacific Highway North Sydney NSW 2060
Solicitor	Stuart Percy & Associates PO Box 1397 Moree NSW 2400
Bankers	Commonwealth Bank of Australia Limited 109 Collins Street Hobart TAS 7000
Stock exchange listing	Print Mail Logistics Limited shares are listed on the National Stock Exchange of Australia (NSX) (Code: PNT).
Website address	www.pml.com.au

Directors' Report

Your Directors present their report on the consolidated entity consisting of Print Mail Logistics Limited (referred to hereafter as "the Company") and the entities it controlled (referred to hereafter as "the Group") for the half-year ended 31 December 2014.

Directors

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

John W Woods
Nigel B Elias
Luis Garcia.

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 name of each person who has been a Company Secretary of the Company during the half-year and to the date of this report are:

Mary-Anne Greaves
Adrian J Pereira.

Review of Operations

For the half-year period from 1 July 2014 to 31 December 2014, the Group recorded a net loss of \$358,868 (for the half-year period from 1 July 2013 to 31 December 2013 a net loss of \$215,317).

The net loss before tax from continuing operations amounted to \$446,436 (for the half-year period from 1 July 2013 to 31 December 2013 a net loss of \$306,371). The net loss before tax includes once off relocation and transformation costs, as to \$109,596, and a loss on disposal of assets as to \$ 45,505.

The Group's underlying performance before tax for the half-year period was a loss of \$291,335 – an improvement of \$86,650 when compared to the half-year period from 1 July 2013 to 31 December 2013.

The Group advises that it has completed the relocation of its equipment from three existing sites and consolidated its operations at the new production facility at the Tasmanian Technopark in Dowsing Point, Tasmania. It is anticipated that the relocation will enable the Group to continue the reduction of operating expenditure and improvement of underlying performance before tax.

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 5 of this report.

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



John W Woods
Chairman

12 March 2015
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 2014 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.

DBW Audit Pty Limited



Matthew Duggan
Director

Signed at North Sydney, 12 March 2015

Statements of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	31.12.2014 \$	31.12.2013 \$
Continuing operations			
Revenue	2	3,039,943	3,370,160
Changes in inventories		(16,736)	(25,905)
Raw materials and consumables used		(1,255,288)	(1,530,437)
Employee benefits expense		(1,070,056)	(1,157,525)
Finance costs		(105,558)	(94,217)
Depreciation and amortisation expense		(300,037)	(262,831)
Other expenses	3	(738,706)	(591,346)
Loss on foreign currency translation		-	(14,270)
Profit/(loss) for the half-year before tax from continuing operations		(446,436)	(306,371)
Income tax benefit/(expense)		87,568	91,054
Profit/(loss) for the half-year from continuing operations		(358,868)	(215,317)
Discontinued operations			
Profit/(Loss) for the half-year from discontinued operations		-	-
Profit/(Loss) for the half-year		(358,868)	(215,317)
Attributable to:			
Equity holders of the Parent		(340,614)	(212,436)
Non-controlling interests		(18,254)	(2,881)
		(358,868)	(215,317)
Other comprehensive income			
Other comprehensive income for the half-year net of income tax		-	-
Total comprehensive income/(loss) for the half-year attributable to members		(340,614)	(212,436)
Earnings per share and Diluted earnings per share			
From continuing operations:			
Basic and Diluted earnings per share (cents)		(0.91)	(0.63)
From discontinued operations:			
Basic and Diluted earnings per share (cents)		-	-
From profit/(loss) for the year:			
Basic and Diluted earnings per share (cents)		(0.91)	(0.63)

The accompanying notes form part of these financial statements.

Statements of Financial Position

AS AT 31 DECEMBER 2014

	Notes	31.12.2014 \$	30.06.2014 \$
Current Assets			
Cash and cash equivalents		104,800	20,501
Trade and other receivables	4	358,414	389,603
Inventories		120,082	136,818
Other current assets		150,018	97,011
Total Current Assets		733,315	643,933
Non-Current Assets			
Property, plant and equipment		2,913,876	2,141,502
Deferred tax assets		1,240,251	1,152,684
Intangible assets	5	140,158	44,049
Total Non-Current Assets		4,294,285	3,338,235
Total Assets		5,027,600	3,982,168
Current Liabilities			
Trade and other payables	6	1,522,251	833,051
Borrowings	7	590,176	833,619
Provisions		178,280	173,591
Total Current Liabilities		2,290,707	1,840,260
Non-Current Liabilities			
Borrowings	7	2,157,969	1,213,180
Provisions		61,710	52,643
Deferred tax liability		1,682	1,683
Total Non-Current Liabilities		2,221,361	1,267,506
Total Liabilities		4,512,067	3,107,767
Net Assets		515,532	874,401
Equity			
Issued capital	8	8,619,120	8,619,121
Accumulated losses		(8,194,000)	(7,853,386)
Equity attributable to equity holders of the Parent		425,120	765,735
Non-controlling interests		90,412	108,666
Total Equity		515,532	874,401

The accompanying notes form part of these financial statements.

Statements of Changes in Equity

FOR THE HALF-YEAR ENDED 31
DECEMBER 2014

		Attributable to Equity holders of the Parent			
		Equity Component of			
		Ordinary	Convertible	Total Issued	Accumulated
		Shares	Notes	Capital	Losses
		\$	\$	\$	\$
Notes					Total
					\$
	Balance at 1 July 2013	8,366,452	414,065	8,780,517	(7,201,975)
		8,366,452	414,065	8,780,517	(7,201,975)
	Comprehensive income for the half-year				
	Profit/(Loss) for the year	-	-	-	(212,436)
	Other comprehensive income	-	-	-	-
	Total comprehensive income for the half-year	-	-	-	(212,436)
	Transactions with owners recorded directly in equity				
	Contributions by owners				
	Contributions by owners				
	- Shares issued	682,649	-	682,649	-
	- Shares bought back	(816,000)	-	(816,000)	-
	- Transaction costs	(28,045)	-	(28,045)	-
	- Derecognition of non-controlling interest on disposal of Associate	-	-	-	(56,655)
	Total contributions by owners	(161,396)	-	(161,396)	(56,655)
	Balance at 31 December 2013	8,205,056	414,065	8,619,121	(7,471,066)
	Balance at 1 July 2014	8,205,056	414,065	8,619,121	(7,853,385)
		8,205,056	414,065	8,619,121	(7,853,385)
	Comprehensive income for the half-year				
	Profit/(Loss) for the year	-	-	-	(340,614)
	Total comprehensive loss for the half-year	-	-	-	(340,614)
	Transactions with owners recorded directly in equity				
	Contributions by owners				
	- Shares issued	8	-	-	-
	- Shares bought back	8	-	-	-
	- Transaction costs	8	-	-	-
	- Derecognition of non-controlling interest on disposal of Associate	-	-	-	-
	Total contributions by owners	-	-	-	-
	Balance at 31 December 2014	8,205,056	414,065	8,619,121	(8,193,999)

The accompanying notes form part of these financial statements.

Statements of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	31.12.2014	31.12.2013
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	3,428,444	3,853,526
Payments to suppliers and employees	(2,725,908)	(3,608,165)
Finance costs	(105,558)	(94,217)
Net Cash Flows From/(Used in) Operating Activities	596,977	151,144
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(334,915)	(1,370,534)
Development costs - intangible assets	(96,109)	(44,049)
Proceeds from disposal of property, plant and equipment	17,000	516,800
Proceeds from disposal of Investment in Associate	-	816,000
Proceeds from disposal of Investments	-	100,000
Loans to related parties:		
- payments made	(220,364)	(433,095)
- proceeds from repayments	168,512	332,868
Net Cash Flows From/(Used In) Investing Activities	(465,877)	(82,009)
Cash Flows from Financing Activities		
Proceeds from share issue	-	682,649
Share buy-back payment	-	(816,000)
Transaction costs	-	(28,045)
Proceeds from/(Repayment of) borrowings	(46,802)	(1,759)
Net Cash Flows From/(Used In) Financing Activities	(46,802)	(163,154)
Net Decrease in Cash and Cash Equivalents held	84,299	(94,020)
Cash and Cash Equivalents at Beginning of Half-Year	20,501	148,450
Cash and Cash Equivalents at End of Half-Year	104,800	54,430

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised by the Board of directors for issue on 12 March 2015. 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 2014 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 Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, 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.

(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 Group.

Key estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group 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.

(c) New, revised or amending Accounting Standards and Interpretations applied

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****Note 2: Revenue and Other Income**

	31.12.2014	31.12.2013
	\$	\$
Revenues from continuing operations		
Sales revenue:	2,934,420	3,273,573
	<u>2,934,420</u>	<u>3,273,573</u>
Other revenue:		
- interest received	-	-
- related parties	-	-
- other persons	-	-
	<u>-</u>	<u>-</u>
Total revenue	<u>2,934,420</u>	<u>3,273,573</u>
Other income:		
- gain/(loss) on disposal of property, plant and equipment	(45,505)	2,999
- gain on disposal of investments	-	80,000
- other income	151,028	13,588
	<u>105,523</u>	<u>96,587</u>
Total revenue and other income from continuing operations		
- attributable to members of the parent entity	3,039,943	3,370,160
- attributable to non-controlling interests	-	-
	<u>3,039,943</u>	<u>3,370,160</u>
Revenue and other income from discontinued operations		
- attributable to members of the parent entity	-	-
- attributable to non-controlling interests	-	-
	<u>-</u>	<u>-</u>
Total revenue and other income from continuing operations and discontinued operations		
- attributable to members of the parent entity	3,039,943	3,370,160
- attributable to non-controlling interests	-	-
	<u>3,039,943</u>	<u>3,370,160</u>

Note 3: Other Expenses

	31.12.2014	31.12.2013
	\$	\$
Significant expense items included in other expenses		
Relocation costs	109,596	-
Redundancy costs	-	14,384
	<u>109,596</u>	<u>14,384</u>

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Note 4. Trade and Other Receivables

	31.12.2014	30.06.2014
CURRENT	\$	\$
Trade debtors	328,414	389,606
Provision for impairment of receivables	-	-
	<u>328,414</u>	<u>389,606</u>
Other receivables -Landlord rebate	30,000	-
Provision for impairment of receivables	-	-
	<u>30,000</u>	<u>-</u>
Total current trade and other receivables	<u>358,414</u>	<u>389,606</u>

Note 5. Intangible Assets

	31.12.2014	30.06.2014
	\$	\$
CURRENT		
Development costs:		
Cost	140,158	44,049
Accumulated amortisation and impairment losses	-	-
Net carrying amount	<u>140,158</u>	<u>44,049</u>
Total intangible assets	<u>140,158</u>	<u>44,049</u>

Note 6. Trade and Other Payables

	31.12.2014	30.06.14
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	1,390,563	587,904
Sundry payables and accrued expenses	111,305	209,891
Supplier credit/(debit) facility	20,383	35,257
	<u>1,522,251</u>	<u>833,051</u>

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****Note 7. Borrowings**

	Notes	31.12.2014	30.06.2014
		\$	\$
CURRENT			
Unsecured liabilities			
Bank credit card	7 (a)	-	24,056
Lease liability		102,821	97,304
Vendor finance facility		47,361	57,885
Loan - other parties		140,000	105,000
Loan - related party		-	50,526
		<u>290,182</u>	<u>334,771</u>
Secured liabilities			
Bank loans	7 (a)	-	413,595
Mortgage loans		7,095	9,831
Lease liabilities		292,899	75,422
		<u>299,994</u>	<u>498,848</u>
Total current borrowings		<u>590,176</u>	<u>833,619</u>
NON-CURRENT			
Unsecured liabilities			
Lease liability		95,925	148,752
Vendor finance facility		273,639	263,115
		<u>369,564</u>	<u>411,867</u>
Secured liabilities			
Loan - other party	7 (a)	470,000	-
Mortgage loan		429,684	427,169
Lease liabilities		888,721	374,144
		<u>1,788,405</u>	<u>801,313</u>
Total non-current borrowings		<u>2,157,969</u>	<u>1,213,180</u>
Total borrowings		<u>2,748,145</u>	<u>2,046,799</u>

(a) During the half-year, the Company repaid its indebtedness to the Australia and New Zealand Banking Group Limited including amounts outstanding in respect of credit cards which were returned to the issuer. The repayment was funded by way of borrowings from an unrelated party. The facility extended by the unrelated party includes the following key terms and conditions:

- Loan Amount: \$470,000
- Term: 18 months
- Interest rate: 10% per annum
- Repayments: monthly repayments of interest only with the Loan amount repayable on maturity
- Security: registered charge over the trade debtors of the Company.

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****Note 8. Issued Capital**

	31.12.2014		30.06.2014	
	Number of shares	\$	Number of shares	\$
Fully paid ordinary shares	37,452,490	8,744,918	37,452,490	8,744,918
	<u>37,452,490</u>	<u>8,744,918</u>	<u>37,452,490</u>	<u>8,744,918</u>

a. Movements in ordinary shares

	31.12.2014		30.06.2014	
	Number of shares	\$	Number of shares	\$
Beginning of the financial year	37,452,490	8,744,918	33,346,000	8,878,269
Shares issued during the half-year				
- Rights issue	-	-	6,826,490	682,649
- Share buy back	-	-	(2,720,000)	(816,000)
At the end of the half-year	<u>37,452,490</u>	<u>8,744,918</u>	<u>37,452,490</u>	<u>8,744,918</u>

b. Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

	31.12.2014		30.06.2014	
	Number of Notes	\$	Number of Notes	\$
c. Movements in equity component of convertible notes - issued in 2008				
Beginning of the financial year	-	414,065	-	414,065
Issued during the half-year	-	-	-	-
Equity component of convertible notes redeemed during the half-year	-	-	-	-
Converted during the half-year	-	-	-	-
End of the financial half-year	<u>-</u>	<u>414,065</u>	<u>-</u>	<u>414,065</u>

d. Terms and conditions of convertible notes

The Convertible Notes were issued on the following basis:

Issuer: Print Mail Logistics Limited.

Note holder: LSL Holdings Pty Ltd (In Liquidation).

Security: Three separate fixed and floating charges.

The Convertible Notes on hand at 1 July 2010 each had a face value of \$250,000 and bore interest at 1% per annum payable six monthly in arrears. The Notes were repaid in full on 22 September 2010.

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****Note 8. Issued Capital (continued)**

	31.12.2014	30.06.2014
	\$	\$
e. Movements in transaction costs		
Beginning of the half- year	(539,862)	(511,817)
Incurred during the half-year	-	(28,045)
End of the half- year	<u>(539,862)</u>	<u>(539,862)</u>

f. Transaction costs

Transaction costs relate to various costs in issuing equity instruments including legal and professional advisory fees, printing and distribution costs. Transaction costs are accounted for as a deduction from equity in accordance with AASB 132 *Financial Instruments: Presentation* .

	31.12.2014	30.06.2014
	\$	\$
g. Total issued capital		
Issued Capital	8,744,918	8,744,918
Equity component of convertible notes	414,065	414,065
Transaction costs	<u>(539,862)</u>	<u>(539,862)</u>
	<u>8,619,121</u>	<u>8,619,121</u>

Note 9. Dividends paid or provided for on ordinary shares

There were no dividends paid or provided as at the reporting date (2014: nil).

Note 10. Acquisition and disposal of significant items of property, plant and equipment

On 1 October 2014, the Group completed the installation of a leased digital printing machine. The machine was acquired for \$800,000 and is financed by way of a finance lease over a five year term.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Note 11. Related Party Transactions

a. The Group's main related parties are as follows:

(i) Parent entity

The parent entity is Print Mail Logistics Limited.

(ii) Subsidiaries

A subsidiary is an entity that is controlled by the parent entity. Control exists where the investee is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(iii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

(iv) Entities subject to significant influence by the Group:

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(v) Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. Transactions with related parties:

Transactions with related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	31.12.2014 \$	31.12.2013 \$
<i>(i) Parent entity</i>		
Sale of goods and services:		
- Armstrong Registry Services Pty Ltd	44,767	36,140
Purchase of goods and services:		
- Armstrong Registry Services Pty Ltd	4,697	3,814
<i>(ii) Entities subject to significant influence by the Group:</i>		
Sale of goods and services:		
- Print Mail Logistics Limited	4,697	3,814
Purchase of goods and services:		
- Print Mail Logistics Limited	44,767	36,140

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****Note 11. Related party transactions (continued)****c. Amounts outstanding from related parties**

Trade and other receivables

Unsecured, at call loans are made to the parent entity, subsidiaries, directors, key management personnel and/or other related parties.

	31.12.2014	31.12.2013
	\$	\$
<i>(i) Loans to key management personnel:</i>		
Beginning of the half-year	(50,526)	-
Loans advanced	220,364	433,095
Loan repayment received	(168,512)	(332,869)
Interest charged	-	-
Interest received	-	-
Balance at end of the half-year	<u>1,326</u>	<u>100,226</u>

The number of KMP who have received loans during the period:

1 1

	31.12.2014	31.12.2013
	\$	\$
The highest amount of indebtedness during the reporting period for each KMP who received loans:		
N B Elias	<u>6,764</u>	<u>109,717</u>

Temporary loans advanced and repaid during the year do not incur interest. Loans are unsecured and repayable at call.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Note 12. Segment information

Identification of reportable segments

The Group 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 Group is managed primarily on the basis of product category and service offerings since the diversification of the Group'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 2014

Note 12. 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 2014****Note 12. Segment information (continued)**

(i) Segment performance

	Printing	Mailing & Distribution	Total
	\$	\$	\$
Half-Year Ended 31 December 2014			
Revenue			
External sales	1,974,600	959,820	2,934,420
Total segment revenue	1,974,600	959,820	2,934,420
<i>Reconciliation of segment revenue to group revenue</i>			
Other income:			
- gain/(loss) on disposal of property, plant and equipment			(45,505)
- gain on disposal of investments			-
- other income			151,028
Total group revenue			3,039,943
Segment net profit/(loss) before tax	77,663	(120,639)	(42,976)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Other income:			
- gain/(loss) on disposal of property, plant and equipment			(45,505)
- gain on disposal of investments			-
- other income			151,028
Unallocated items:			
Corporate charges			(293,738)
Relocation costs			(109,596)
Redundancy costs			-
Finance costs			(105,558)
Loss on foreign currency translation			-
Net profit/(loss) before tax from continuing operations			(446,346)

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Note 12. Segment information (continued)

(i) Segment performance (continued)

	Printing \$	Mailing & Distribution \$	Total \$
Half-Year Ended 31 December 2013			
Revenue			
External sales	2,036,972	1,236,601	3,273,573
Total segment revenue	2,036,972	1,236,601	3,273,573
<i>Reconciliation of segment revenue to group revenue</i>			
- gain/(loss) on disposal of property, plant and equipment			2,999
- gain on disposal of investments			80,000
- other income			13,588
Total group revenue			3,370,160
Segment net profit/(loss) before tax	74,262	(135,440)	(61,178)
<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 disposal of property, plant and equipment			2,999
- gain on disposal of investments			80,000
- other income			13,588
Unallocated items:			
Corporate charges			(218,909)
Relocation costs			-
Redundancy costs			(14,384)
Finance costs			(94,217)
Loss on foreign currency translation			(14,270)
Net profit/(loss) before tax from continuing operations			(306,371)

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Note 12. Segment information (continued)

(ii) Segment assets

	Printing \$	Mailing & Distribution \$	Total \$
As At 31 December 2014			
Segment assets	1,296,734	632,006	1,928,740
	1,296,734	632,006	1,928,740
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			1,718,451
Deferred tax assets			1,240,251
Intangible assets			140,158
Total group assets from continuing operations			5,027,600

	Printing \$	Mailing & Distribution \$	Total \$
As At 30 June 2014			
Segment assets	586,350	706,727	1,293,077
	586,350	706,727	1,293,077
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			1,492,358
Deferred tax assets			1,152,684
Intangible assets			44,049
Total group assets from continuing operations			3,982,168

(iii) Segment liabilities

The Group'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 2014

Note 12. Segment information (continued)

(iv) Revenue by geographical region

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

	Half-Year Ended 31 December 2014 \$	Half-Year Ended 31 December 2013 \$
Australia	2,934,420	3,273,573
Total revenue	2,934,420	3,273,573

(v) Assets by geographical region

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

	Balance as at 31 December 2014 \$	Balance as at 30 June 2014 \$
Australia	1,928,740	1,293,077
Total assets	1,928,740	1,293,077

Note 13. Subsequent events

There are no matters or circumstances that have arisen since the end of the half-year period which would significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Note 14. 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 6 to 23, 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 2014 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, sweeping flourish extending from the end of the signature.

John W Woods
Chairman

Date: 12 March 2015
Hobart, Tasmania

Independent Auditors Review Report

To the members of Print Mail Logistics Limited

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 2014, 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 2014 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.

Independent Auditors Review Report (continued)

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 2014 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.

DBW Audit Pty Limited



Matthew Duggan

Signed at Sydney, 12 March 2015